INTERNATIONAL DAIRY DELI BAKERY ASSOCIATION

What’s In-Store 2023

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What’s In-Store 2023

A multi-dimensional look at the Dairy, Deli and Bakery **State of the Industry**

- Shopper survey
  - May 2023
  - 1,550 consumers
- Consumer videos
- Industry expert videos
- Market overlay
  - Best-in-class pictures, videos and examples from around the world
- Sales overlay by Circana (formerly IRI)

Five Generations of Shoppers

Five different patterns of behavior

Silent Generation
1928-1945

Boomers
1946-1964

Gen X
1965-1980

Millennials
1981-1996

Gen Z
1997-2012

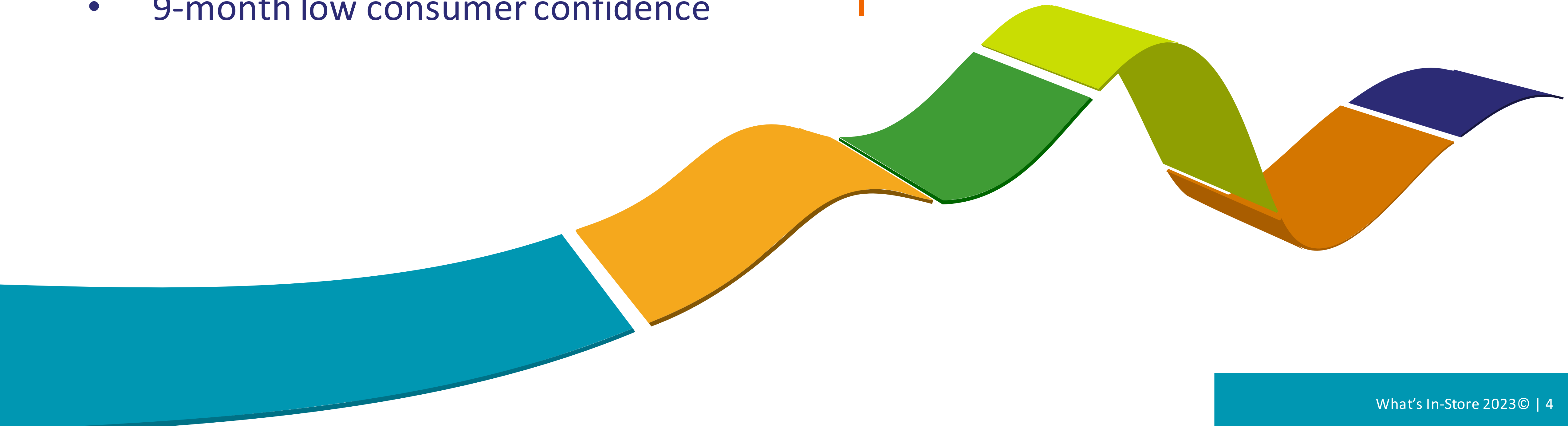
The rollercoaster ride continues

A new set of factors are adding to the list of pandemic disruptors

YTD 2023:

- Inflation, inflation, inflation!
- Record high consumer debt levels
- Record low consumer savings rates
- Wage increases below the rate of inflation
- 9-month low consumer confidence

→ **A continued home-centered world with room for premium purchases**



IDDBA | 2023

Guiding Trends 2023

Whole Health, Heart and Self

Consumer-Defined Convenience

ESG: Environment, Social & Governance

Worth the Value

Technology & Innovation

Whole Health
Whole Heart
Whole Self

The evolution of health, now emphasizing both physical and emotional wellbeing.

Health focus is not a constant

Its definition is evolving balancing physical health and happiness

Level of focus on making healthy food and beverage choices (% of consumers):

8%	None, I eat what I eat
24%	On and off focus
42%	Some focus
26%	A lot of focus

Physical health and emotional wellbeing (happiness) are interwoven (% of consumers):

% Disagree

3%

% Agree

78%

Healthy plays out in many ways

Sugar, portion size, avoidance & inclusion of deemed positives/negatives

Examples of healthy choices in bakery:

The larger the size of the font, the more frequently it was mentioned in shoppers' descriptions. Shown if mentioned 10+ times

Response themes:

- Sugar content
- All natural/avoidance of artificial
- Portion size
- Minimal processing
- Fiber, multi-grain and whole grain
- Dietary trends: vegan, Keto
- Organic
- Free from dairy or gluten

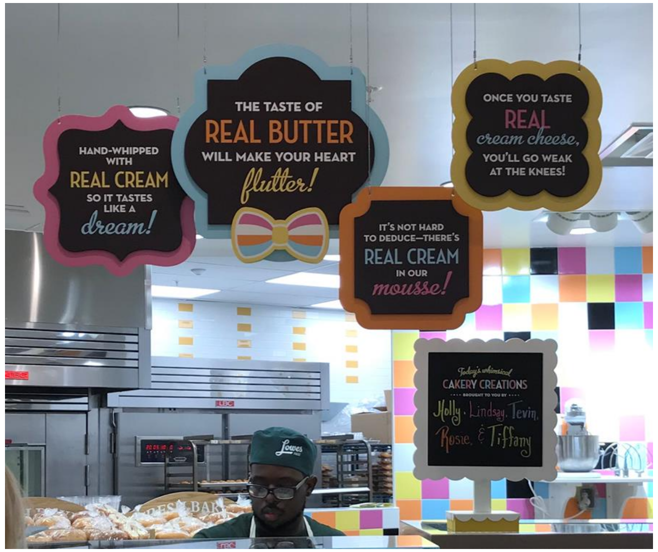
But also: everything is ok in moderation

Sugar-free

Single-serve

Shoppers have become label readers

Which, in turn, has prompted better-for and ESG



Pictures: 210 Analytics

Reflect the health continuum in-store

Sometimes a better-for choice, sometimes saying yes to cake

Pictures: 210 Analytics

Can the store help?

Transparency and education is appreciated

Somewhat or very interested (% of shoppers):

62% Basic nutrition facts on the **front of the package**, such as calories, fat, sugar and sodium

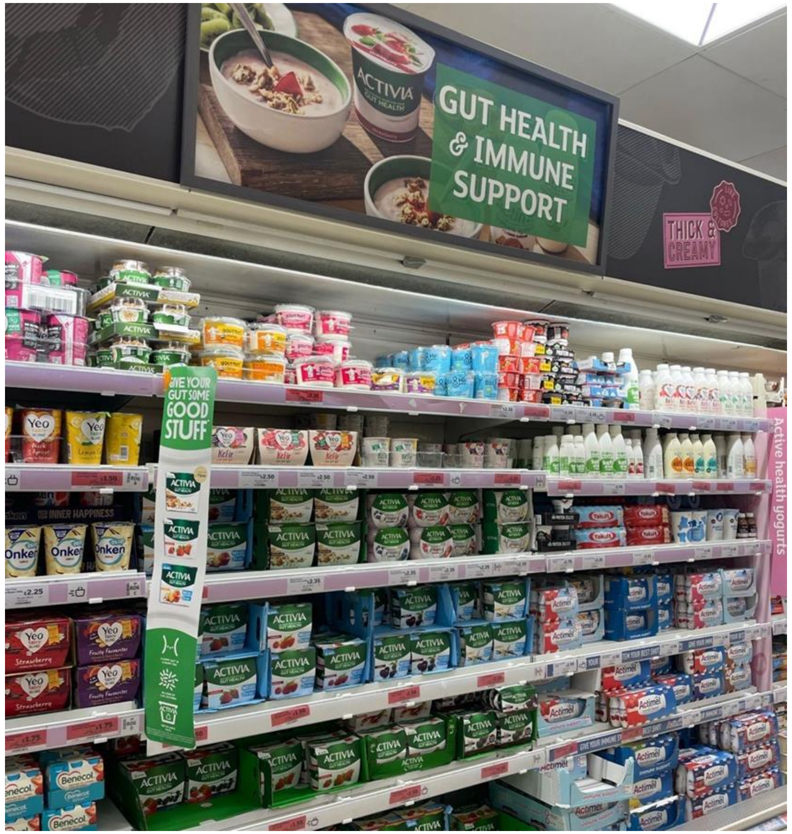
49% A nutrition **star-rating system** showing healthfulness of foods and beverages

34% Grocery stores offering **personalized nutrition** programs, tailored to your weight, pulse, blood pressure, etc.

31% Grocery stores offering **dietitian** healthy eating tips and picks

Curate and ideate

And be part of the healthy eating dialogues



Pictures: 210 Analytics

Balance is the word du jour

With treating playing an important role in traditions and happiness

Somewhat or completely agree (% of shoppers):

77%	79%	73%
It is completely **fine to occasionally enjoy** some **treats** like cupcakes, cookies or ice cream	Baked treats, like cakes or pies, are **great traditions** during holidays and celebrations	All foods and beverages are okay **in moderation**

Portion sizes can create permissibility

And variety — the key to the Millennial heart

Pictures: 210 Analytics

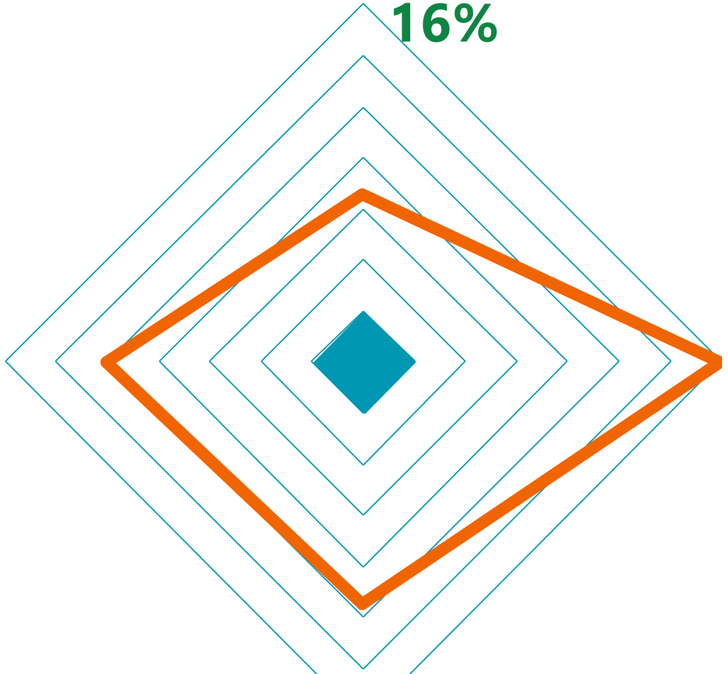
Consumer-Defined Convenience

The ever-growing importance of ease of meal planning, shopping, preparation and cleanup is driving sales growth.

The balancing act

Money, health, taste, time… it all matters

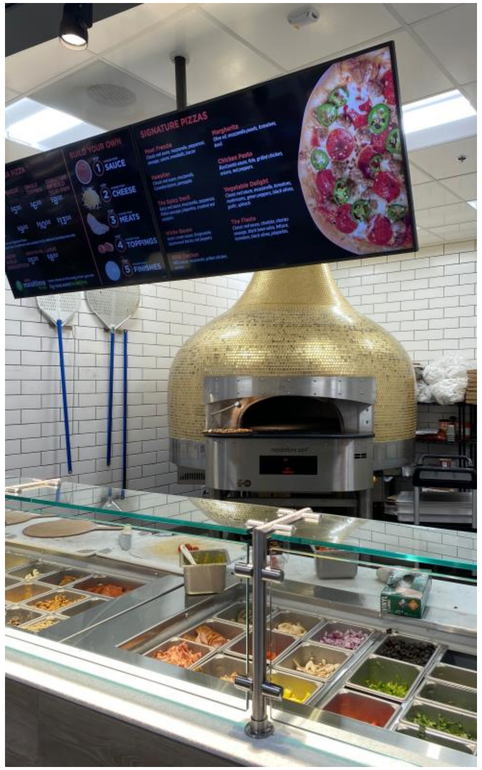
Meal preparation priorities
% Ranked FIRST:



Life has become all about continuums

Ultra healthy to ultra indulgent | Time-well-saved to time-well-spent
Scratch to heat-and-eat to ready-to-eat | Cheapest to premium | New to nostalgia

The pizza continuum, for instance, from bake-yourself, to build yourself, to RTE

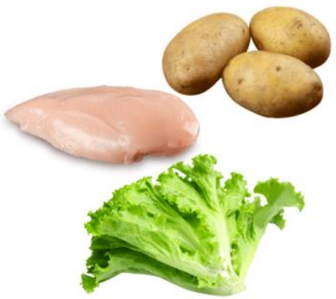


Pictures: 210 Analytics

The hybrid meal has taken over America's kitchens

Best description of typical dinner preparation (% of consumers):

41%



Cooking mostly from scratch

50%

Mix of scratch-cooked and semi-and fully-prepared items

9%

Mostly semi-and fully-prepared items (may just require reheating)

Shoppers want convenience

Big demand for grab-and-go and the convenience continuum

Somewhat and very interested (% of consumers):

55%	Easier shopping with grab-and-go for bakery and deli
50%	Easier preparation with semi- and fully-prepared items
46%	Home delivery for grocery deli-prepared foods
46%	Easier shopping with easy online ordering and one-click shoppable recipes
45%	Easier shopping with stations featuring all items for one meal
35%	Meal planning suggestions

Self-service is fast growing

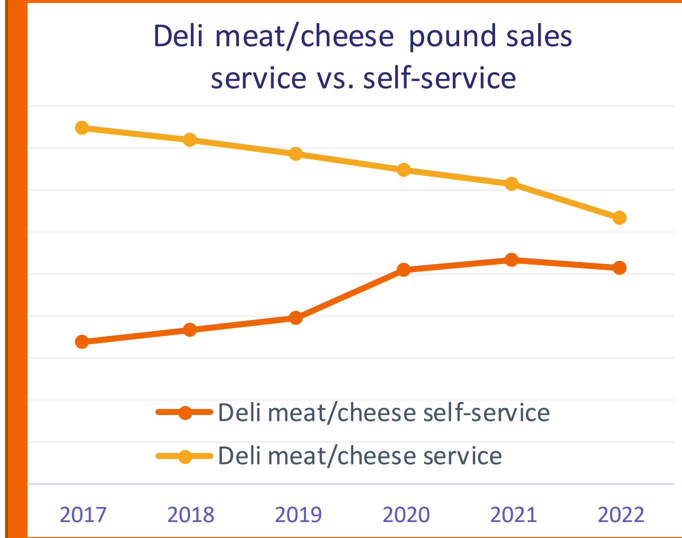
Big wins for grab & go deli meat/cheese

Pictures: 210 Analytics

Grab & go & pre-sliced deli meat/cheese $ share

28.6% 2017 share of $

44.7% 2022 share of $



Source: Circana, Integrated Fresh, Total US, MULO, 2019-2022

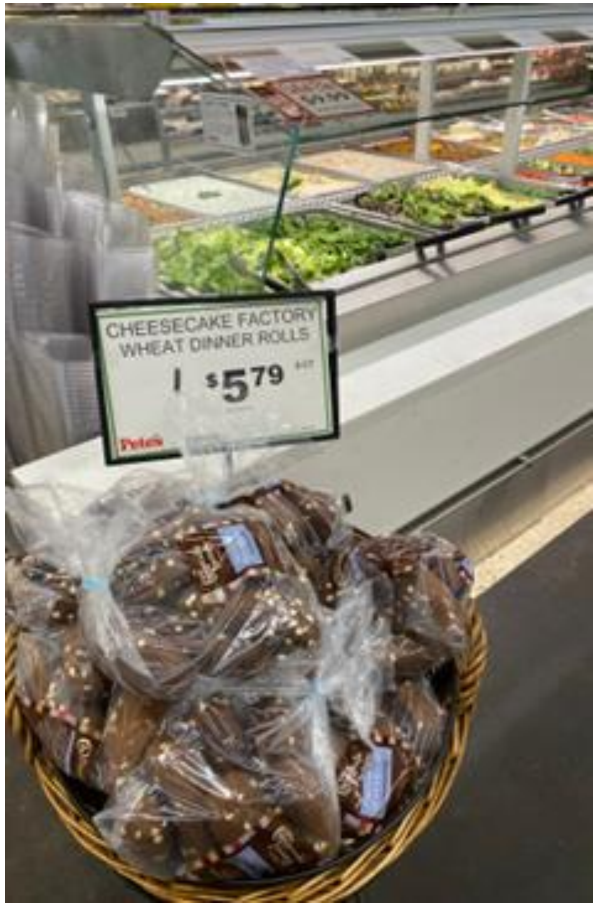
Cross-merchandising for convenience

Physically co-merchandise or use coupons as a reminder

Pictures: 210 Analytics

Leveraging co- and cross-purchase insights

To ideate where the consumers' mind is already going



Pictures: 210 Analytics

Delivery and takeout are huge

Fueling restaurant business but not as much for deli-prepared

Do so occasionally (% of consumers):

62%	78%	33%	41%
Restaurant delivery	Restaurant takeout	Grocery deli-prepared delivery	Grocery deli-prepared takeout

51%
use third-party delivery services such as Grubhub or Uber Eats

Pictures: 210 Analytics

The Time Crunch

Delis should focus on awareness

When running out of time (% of consumers):

15% Grocery deli | **35%** Something quick (PB&J/frozen meal) | **50%** Restaurant

When not in the mood to cook:

16% Grocery deli | **24%** Something quick (PB&J/frozen meal) | **60%** Restaurant

Why restaurants and not grocery deli-prepared foods?

68%

Grocery deli is a good option, but I just **don't think about it**

32%

Grocery deli is just **not a viable** restaurant alternative

Deli-prepared is an occasional choice

Mostly addressing the lunch and dinner occasions

Purchase deli-prepared foods by meal occasion (% of consumers):

Breakfast

35% Never
21% Light
33% Medium
12% Heavy

Lunch

19% Never
27% Light
42% Medium
11% Heavy

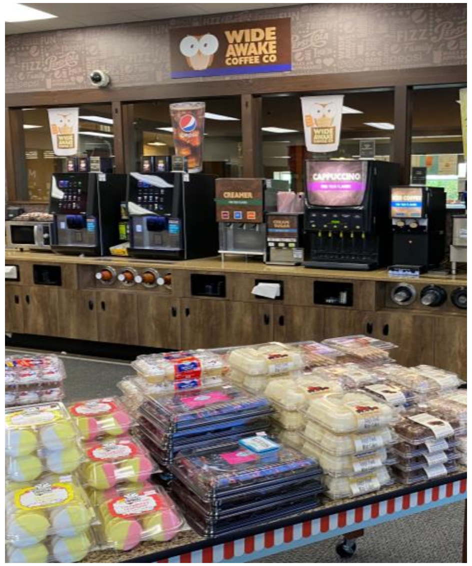
Dinner

12% Never
30% Light
45% Medium
13% Heavy

Light = Less than once a month | Medium = Every few weeks | Heavy = Weekly or more

Curbing restaurant spending affects all occasions

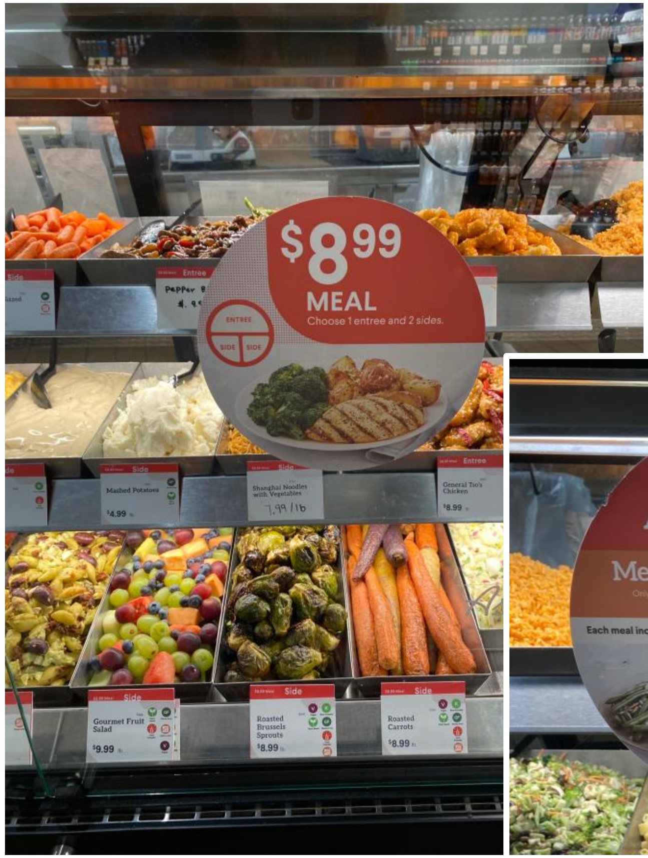
Particular opportunity in breakfast and lunch as a foot in the door



Pictures: 210 Analytics

Selling a meal for now, and one for later

Or change 1 meal into a meal for 2 or 4 people



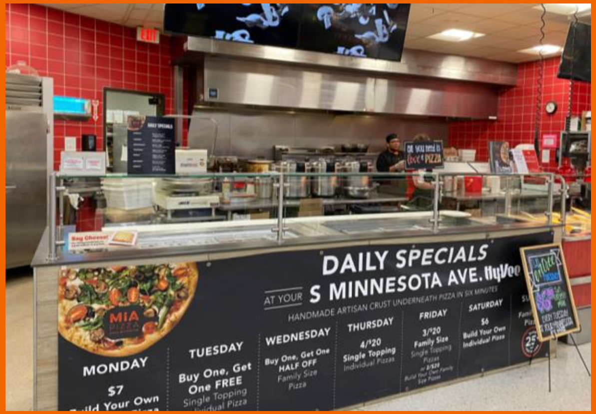
Pictures: 210 Analytics

Driving higher engagement

Variety, price and deli specials are keys

Would prompt buying grocery deli-prepared more often (% of shoppers):

81%	Better variety of items/cuisines
80%	More frequent promotions
76%	Daily specials, such as Taco Tuesday
75%	More healthy options
69%	Ability to order in advance
62%	Home delivery
55%	More specialty options (organic, vegan, etc.)
53%	Deli drive-through
51%	Reserved parking spaces/curbside delivery



Pictures: 210 Analytics

The ABCs of ESG

Environment

Social

Governance

ESG is rapidly moving into the spotlight

Pictures: 210 Analytics

Importance of various ESG components

Food waste is a universal issue, others vary widely by age

	Somewhat or very important for food brands and retailers to do (% of shoppers):	M	B
60%	Commitments to limit food waste	61%	63%
59%	Humane treatment of the animal (dairy, deli meat, etc.)	60%	46%
58%	Commitments to fair pay throughout the supply chain	64%	54%
56%	Commitments to limit package waste	61%	58%
53%	Giving back to the community	60%	48%
49%	Sustainable ingredient sourcing	56%	45%
49%	Commitments to reduce water/energy usage in production	52%	49%
44%	Supporting special causes	50%	38%

The planet and animals: more people care

Making inroads in all our areas from grass-fed and organic to regenerative agriculture and pasture-raised in eggs, bakery and more

Pictures: 210 Analytics

Understanding plant-based

Perceptions center on health and planet

57%

Of consumers purchase plant-based dairy alternatives

44% Occasionally

13% All the time

Why dairy alternatives?

49% Better for one's health
39% Prefer the taste
27% Better for the planet
23% It is the right thing to do
22% Animal welfare concerns
19% Allergy
14% Concern of hormones/antibiotics in dairy
13% Doctor/medical advice
3% Vegan lifestyle

Milk alternatives | $2.5B
+9.9% Dollar sales
-4.2% Unit sales

Dairy cheese alts | $107M
-5.1% Dollar sales
-7.3% Unit sales

Lunchmeat alts | $30M
+0.9% Dollar sales
-7.3% Unit sales

Source: Circana, Integrated Fresh, MULO, 52 w.e. 4/2/2023 vs. YA

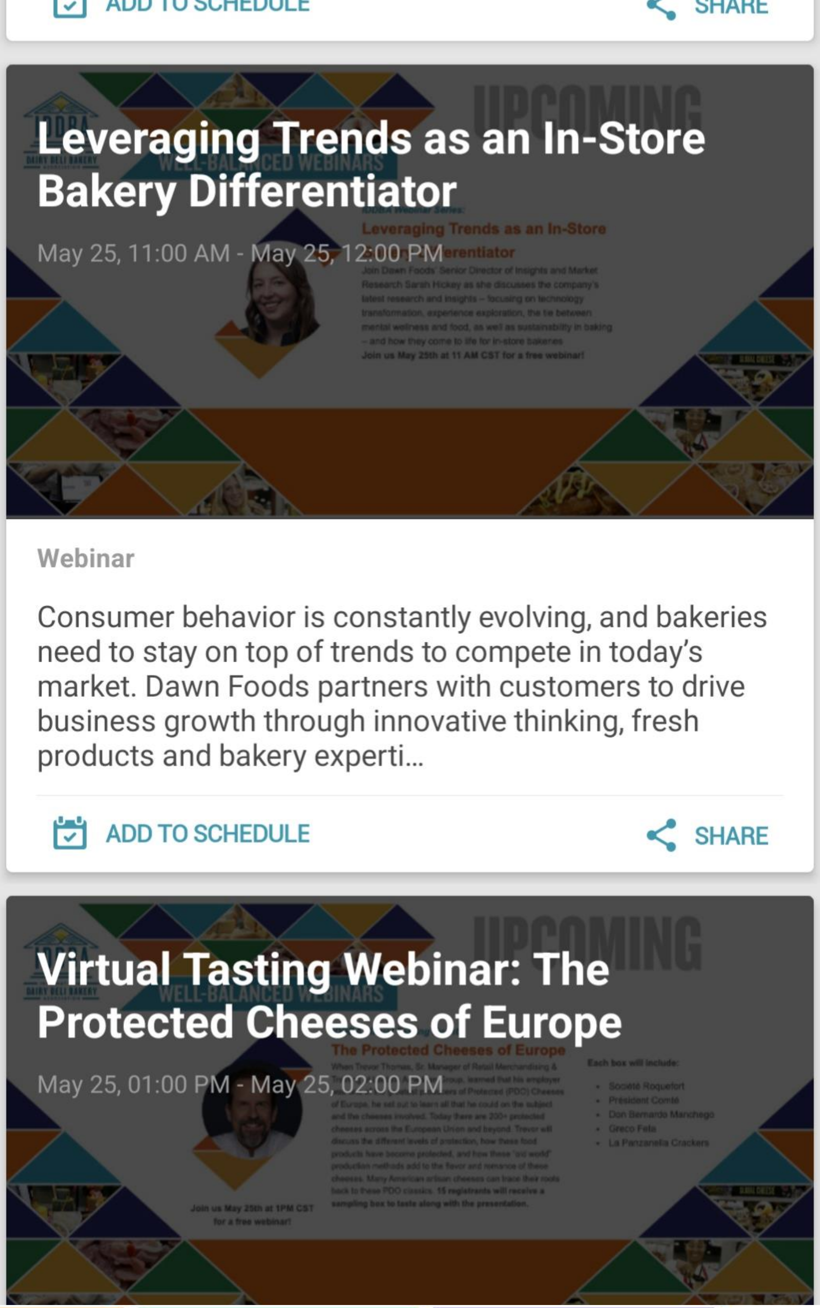
Creative food waste prevention

Providing solutions and communicating the effort

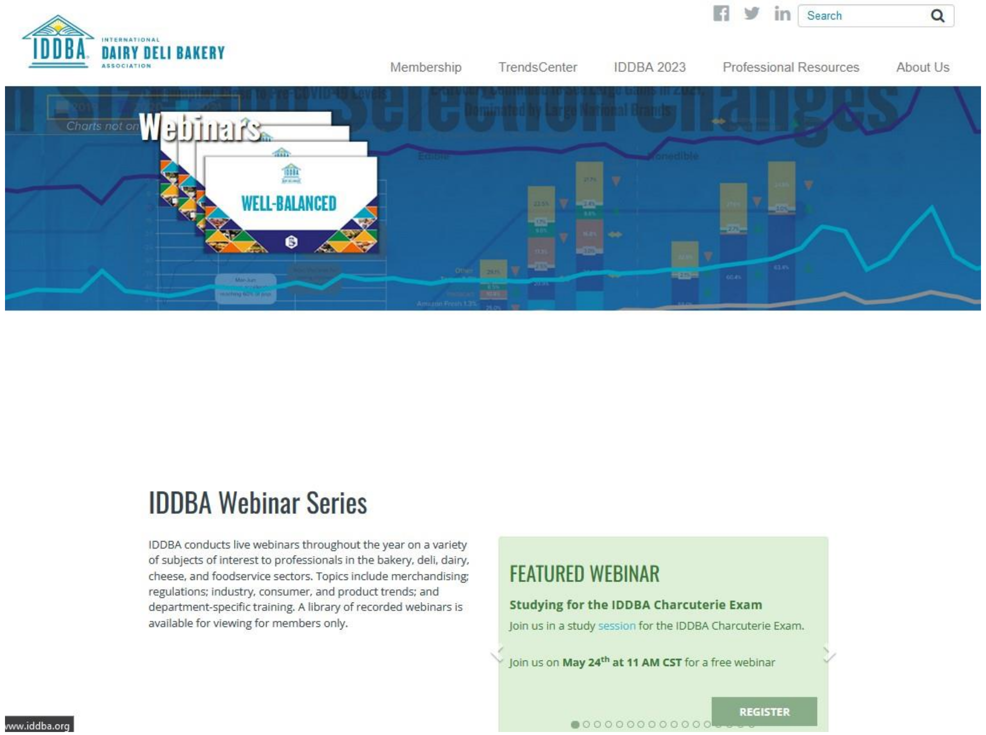
A new twist to markdowns: "Together we waste less"

Bake at home: less packaging, less food waste, great for the planet, great for you"

Pictures: 210 Analytics

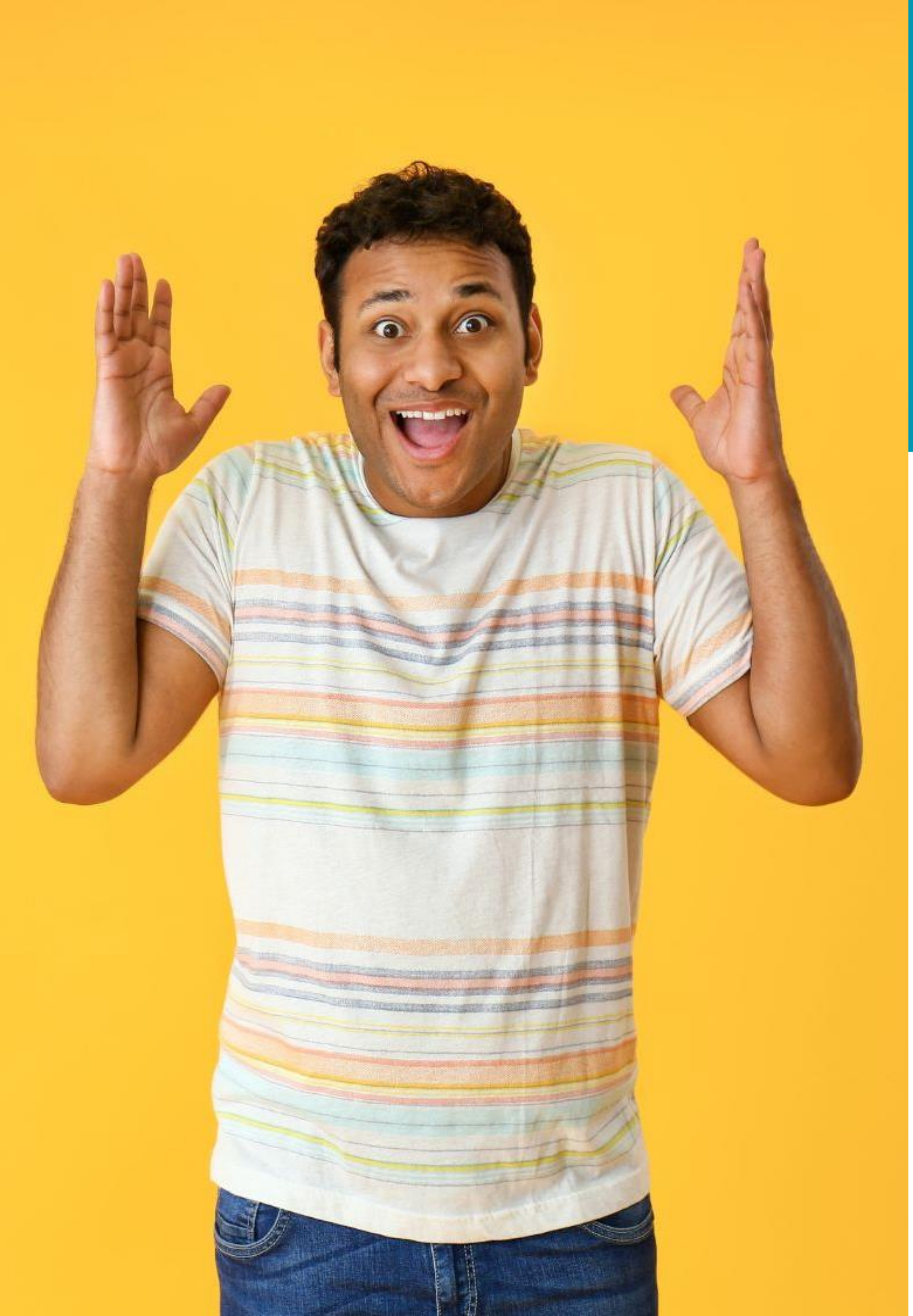


Webinars - On the Web and App!



Worth the Value

Inflationary pressure is tremendous — emphasizing affordability. But it is not only about price nor does the market reflect a race to the bottom.



Life is...

More expensive **83%**
% of consumers

Average price per unit:

			
$3.87	$5.98	$3.74	$3.65
+12.8%	+9.5%	+20.2%	+14.7%
+27.1%	+22.6%	+34.5%	+37.1%

Vs. YA   Vs. 3YA (pre-pandemic)

Source: Circana, Integrated Fresh, Total U.S., MULO, 52 w.e. 4/2/2023

Many ways to save

Some boosting retail, others hurting sales

Ways of looking to save money in reaction to the higher cost of life (% of consumers):

93%

Making 1+ change when buying **groceries**

39%

Eating out at or ordering in from **restaurants less often**

Restaurant savings open the door for retail

Across meal occasions and types, especially lunch and dinner

Meal occasions now sourced from restaurants less often (% of consumers):







Breakfast	Morning snack	Lunch	Afternoon snack	Dinner	Evening snack	Coffee/ beverages
40%	20%	47%	22%	72%	18%	26%

Point out the cost-effectiveness of cooking

But also speed, versatility and healthfulness

"Skip the takeout, go with GreenWise."

"This is better than drive thru."

"Flavorful, affordable meals, simple sandwiches $2."

"Flavorful, affordable meals: BBQ chicken thighs, corn, salad as low as $2.50 per serving."

Pictures: 210 Analytics

Lots of planning pre-trip and in-store

Research intensifies while in-store with item and brand comparisons

Promotional research (% occasionally & frequently):

Compare dairy, bakery and deli promotions **across different stores** pre-trip

70%

Check **promotions** at your **main store** pre-trip

79%

Compare prices/ promos in-store across **items** before you select

80%

Compare prices/ promos in-store across **brands** before you select

83%

Private brand popularity

Illustrated by above-average growth

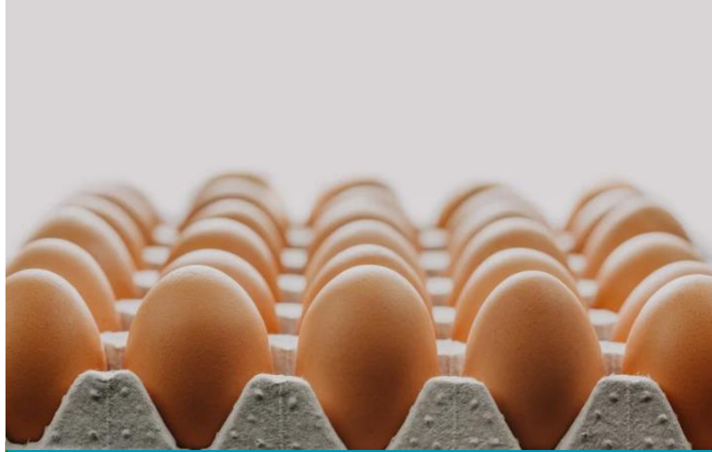
Purchasing private brands in the past year (% of shoppers):

46%

More likely to purchase store brands

10%

Less likely to purchase store brands



Deli units vs. year ago
-1.5% Private brands
-3.6% Manufacturer brands

Bakery units vs. year ago
-0.6% Private brands
-4.2% Manufacturer brands

Dairy units vs. year ago
-1.0% Private brands
-4.4% Manufacturer brands

Source: Circana, Integrated Fresh, Total US, MULO, 52 w.e. 4/23/23

Help train the digital behavior in-store

Personalized discounts are an opportunity as the grocery purchase is becoming more diverse

53%

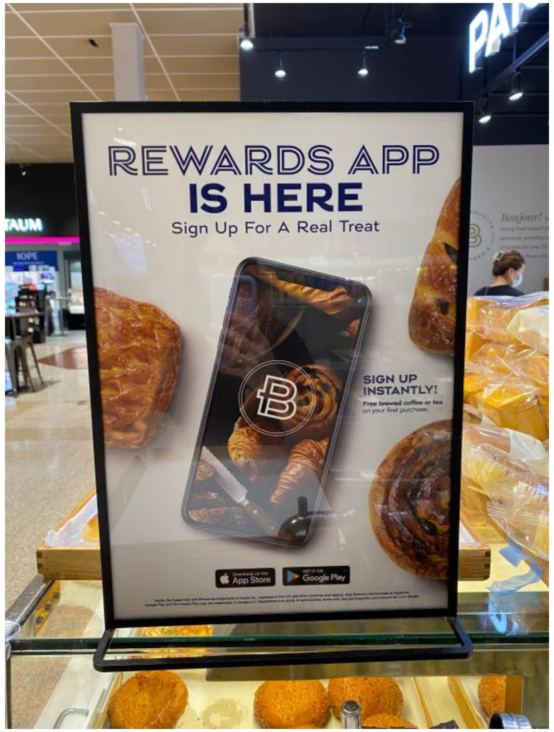
Of shoppers who believe personalized sales promotions are a good or great idea

Pictures: 210 Analytics

Lots of promotional creativity

A different take on loyalty programs, copied from restaurants

Loyalty at the department level



10 donuts, get one free

Salad club, buy 10 get one free

Mix and match promotions

Pictures: 210 Analytics

Discount variations are entering the market

Top preferences are 1) $ off, 2) BOGOs and 3) bulk/family

BOGO variations

Food freebies, buy-2-get-1, buy-2-get $x off, etc.

Time variations

Weekend, one-day, three-day and happy hour sales

Price variations

Dynamic pricing based on inventory/macro factors

Pictures: 210 Analytics

Inflation-related communications and solutions

More consumer understanding because of the communications

Price locks, rewinds, comparisons and rewards

Leaning in on family/bulk

Pictures: 210 Analytics

Pack size strategies vary widely

Income, age and freezing habits have the greatest impact

Changes to pack size strategies due to inflation (% of shoppers):

34%

Buy **smaller packages** to save

38%

Buy **larger/bulk/ family packs** to save

28%

Buy **both smaller and larger** packs to save

Driving the love for BOGOs

Money-saving measures hurt unit sales

Pounds and units are down across the board

Deli department

7.7B | -2.9% vs. YA

Deli prepared	3.9B	-1.0%
Deli meat	1.3B	-7.1%
Deli cheese	1.5B	-3.1%
Deli entertaining	1.0B	-3.7%

Bakery department

11.9B | -2.3% vs. YA

Bakery aisle
7.6B | -3.0%

Bakery perimeter
4.2B | -1.4%

Dairy aisle

20B | -2.4% vs. YA

Milk	4.7B	-2.5%
Natural cheese	12.8B	-0.4%
Eggs	2.2B	-1.7%

Source: Circana, Integrated Fresh, Total U.S., MULO, 52 w.e. 4/2/2023

While inflation boosted dollar sales

In most cases, inflation is still offsetting the reduction in volume/units

Deli department

$45B | +8.2% **vs. YA**

Deli prepared	$24B	+10.1%
Deli meat	$8B	+6.6%
Deli cheese	$8B	+5.4%
Deli entertaining	$5B	+6.1%

Bakery department

$42B | +12.3% **vs. YA**

Bakery aisle $24B |+12.3%	Bakery perimeter $17B | +12.2%

Dairy aisle

$73B | +18.3% **vs. YA**

Milk	$17B	+10.3%
Natural cheese	$13B	+8.6%
Eggs	$11B	+59.8%

Source: Circana, Integrated Fresh, 52 w.e. 4/1/2023

But… good news in high engagement

Increase in trips for many areas as shoppers chase deals

Deli department

Shopper engagement

Households	Trips/buyer/yr	$/trip
98%	52	$11
-0.2% vs. YA	+0.4% vs. YA	+8% vs. YA

Bakery department

Shopper engagement

Households	Trips/buyer/yr	$/trip
99%	62	$6
-0.1% vs. YA	+0.2% vs. YA	+11% vs. YA

Dairy aisle

Shopper engagement

Households	Trips/buyer/yr	$/trip
99%	64	$10
-0.1% vs. YA	+2.6% vs. YA	+15% vs. YA

Source: Circana, Integrated Fresh, 52 w.e. 4/23/2023

Even better news:
Plenty of reasons to splurge a little

7%

Strictly stick to the list/do not spend extra regardless

For 93%, there is ample opportunity for incrementality!

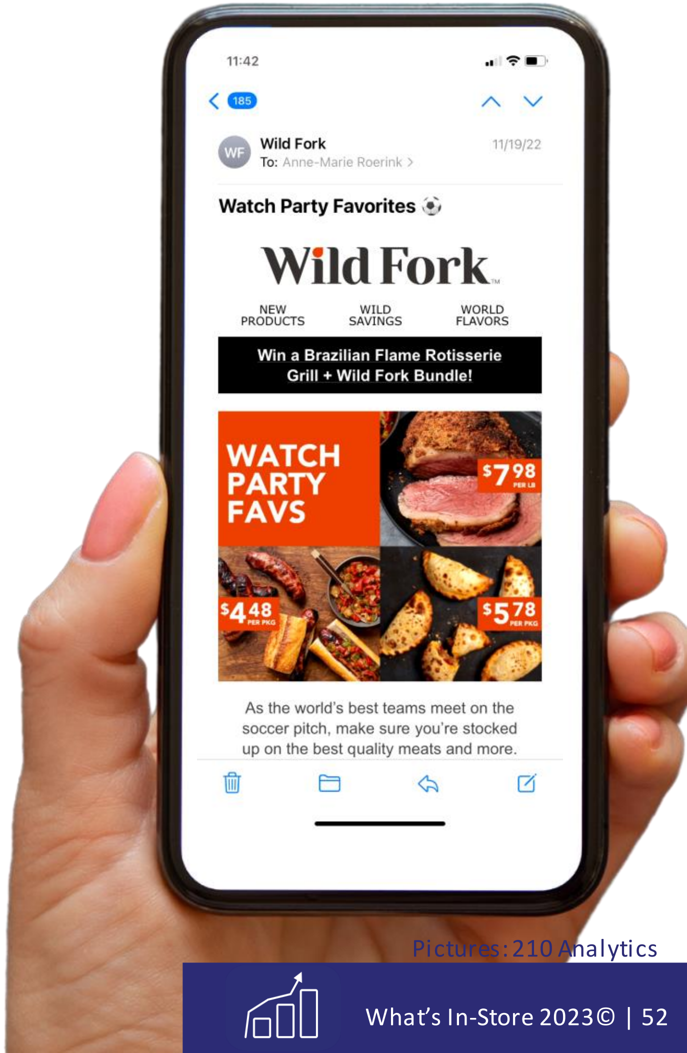
Reasons to splurge a little (% of all shoppers):

51%	If it's a special occasion/holiday
45%	If it's a brand I like
43%	To do something nice for myself/my family/friends
42%	For convenience to save time
34%	If it is healthier than the alternative
27%	If I'm out of time to prepare something from scratch
26%	Replacing a restaurant meal that would have cost more
17%	If it's more sustainably, humanely or ethically produced

Celebrate holidays and special occasions

There are national holidays and birthdays every day!

Congratulations! Get 20% off cake on your birthday

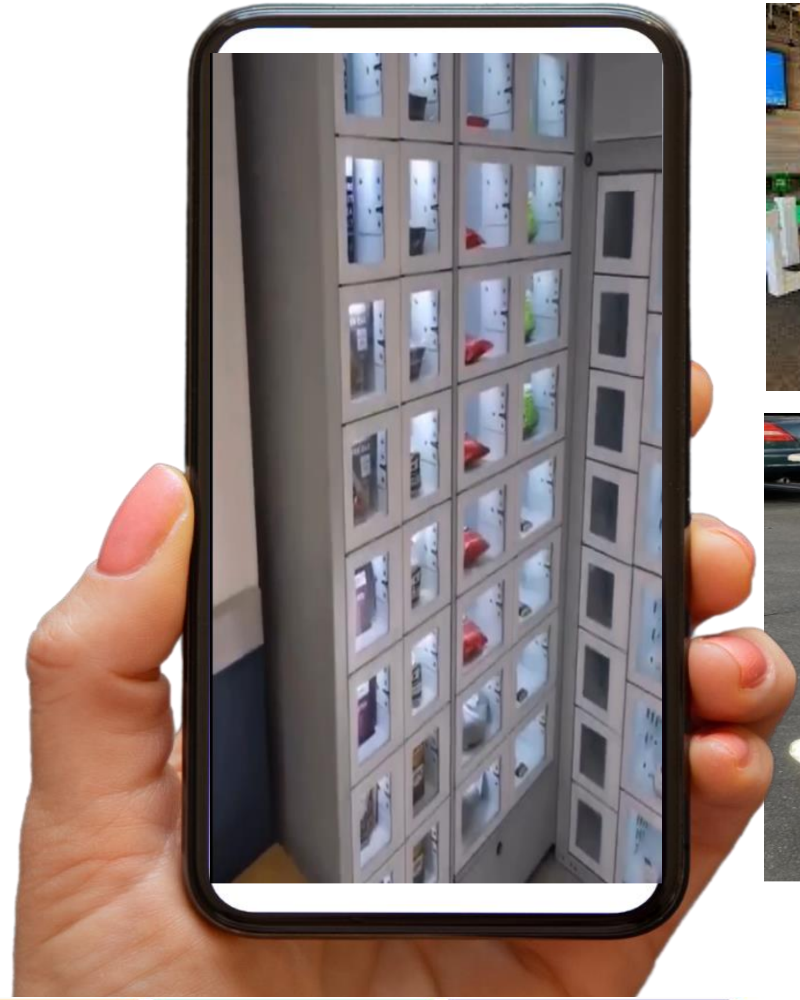


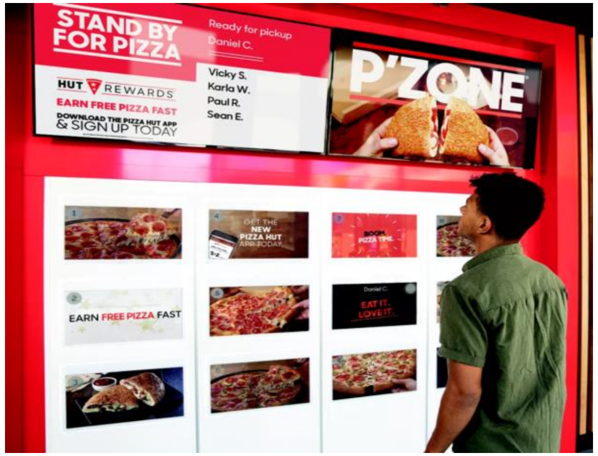
Pictures: 210 Analytics

Innovation & Technology

Performance optimization through consumer-facing, in-store and supply chain technology.

Technology is a reality

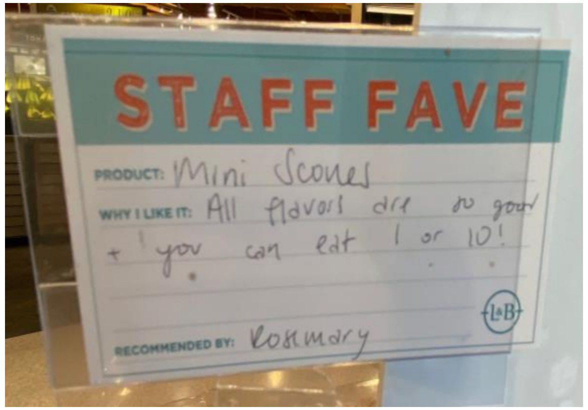


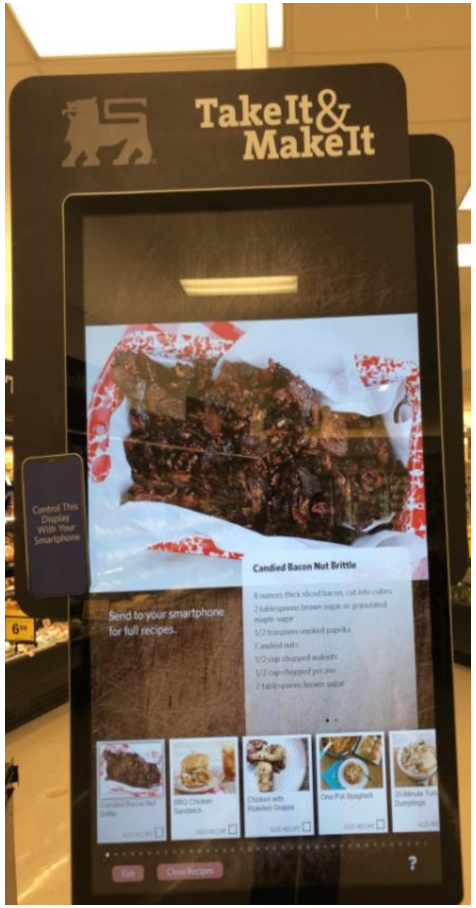


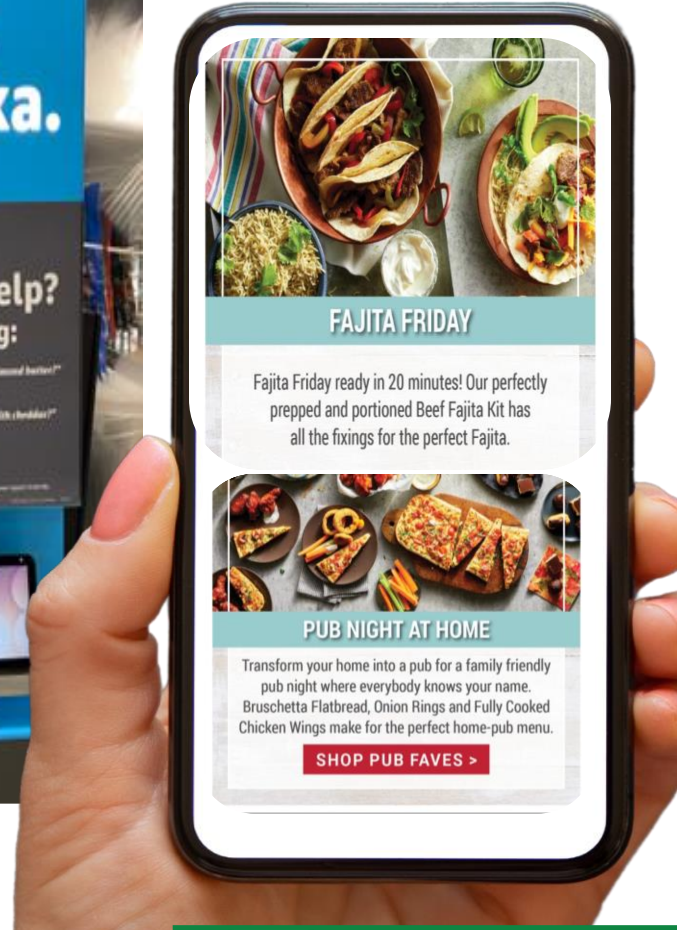
Pictures: 210 Analytics

Apps, screens, deals

Draw interest and reach new audiences





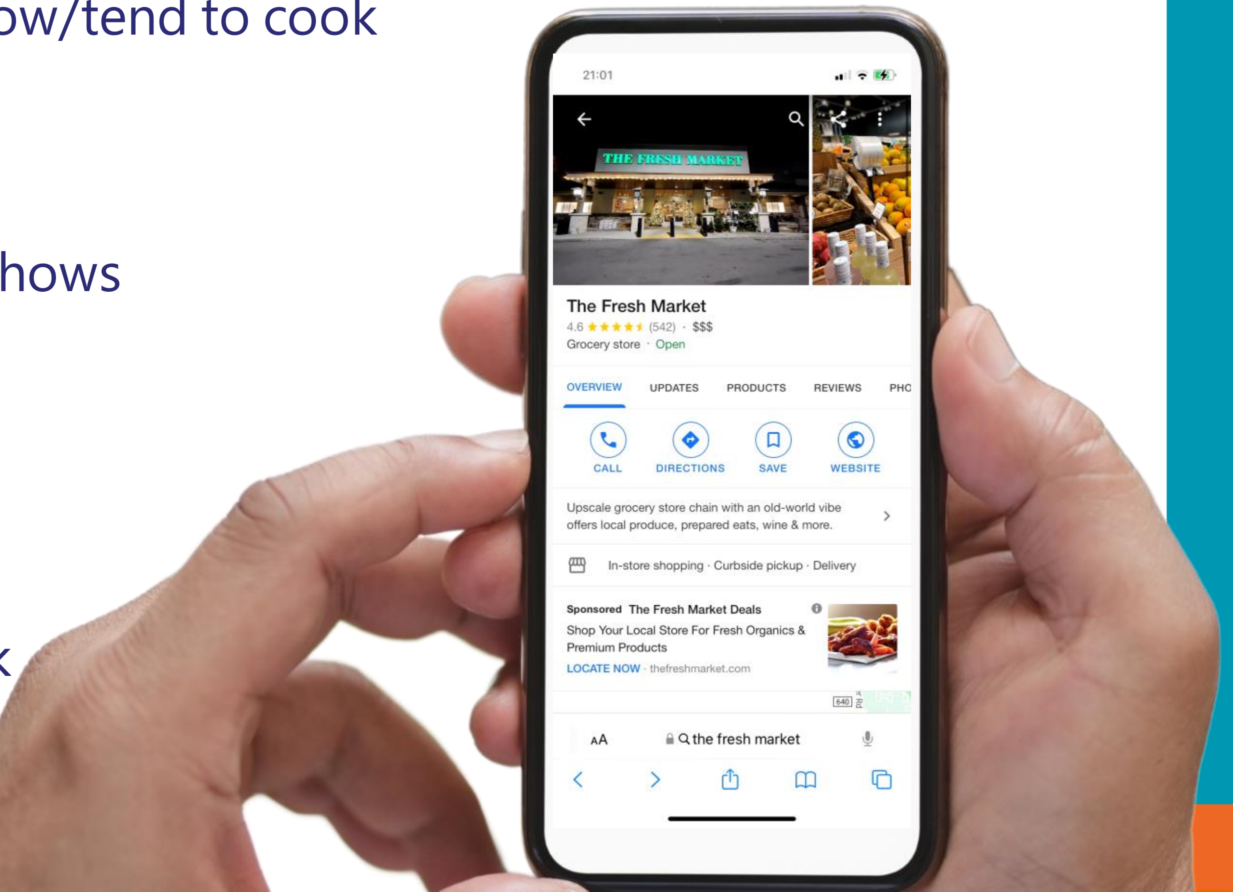


Meal inspiration has gone digital

Close the gap between inspiration and purchase

Sources for meal inspiration (% of shoppers):

44% Family/friends
38% Routine meals I know how/tend to cook
36% Recipe websites
32% YouTube
31% Cookbooks
28% TV/streaming cooking shows
28% Facebook
21% Pinterest
21% Instagram
18% TikTok
17% Magazines
16% Store website/app/kiosk
9% Dietitian/nutritionist



Gen Z
1. TikTok
2. YouTube
3. Facebook

Millennials
1. YouTube
2. Instagram
3. Facebook

Gen X
1. Family/friends
2. Routine
3. Recipe websites

Boomers
1. Routine
2. Family/friends
3. Cookbooks

Food has become as much fuel as **social and entertainment**

Pictures: 210 Analytics

The *Fifth* P

Product

Price

Placement

Promotion

Payment Options

Online ordering

Focus on order frequency and size

64%

Of shoppers have ordered grocery items online

How often? (% of grocery shoppers)

12% Just tried it once or twice

13% Less than once a month

23% Every few weeks

8% Bi-weekly

10% Weekly or more often

Leveraging the online real estate

Provide information for transparency, education and inspiration

Replacing the visual inspection when buying online:

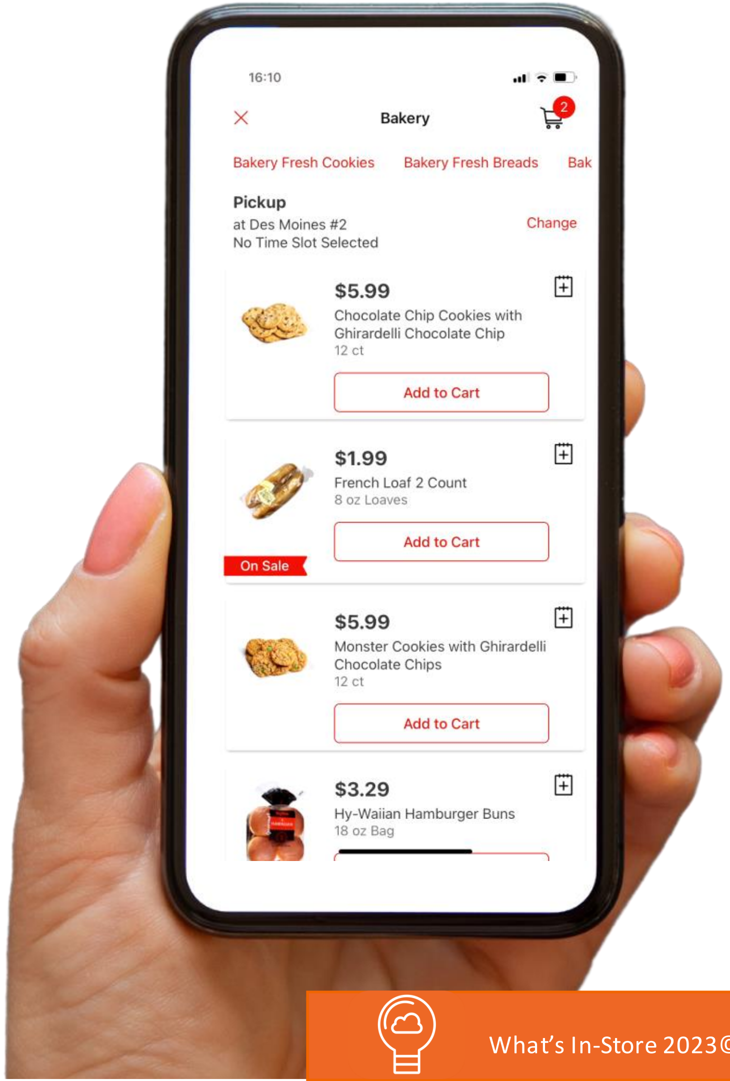
57% Product description
53% Nutritional information
32% Source (farm, country, etc.)

Inspiration for what to do with the item:

36% Recipe(s)
14% Also buy-recommendations
13% Preparation videos

Preferred online imagery:

42% Image of the packaged item
37% Image of the individual item
26% Image of item in a meal



Below are the supporting script excerpts of the What's In Store 2023 Presentation given by Whitney Atkins and Heather Prach at the International Dairy Deli Bakery Association association's flagship event, IDDBA 2023. The speech was given on June 3, 2023. The content of the presentation is a reflection of their expert knowledge and experience, personal research and interviews as well as data from IDDBA's Circana partner and consumer research conducted by 210 Analytics. Atkins and Prach will continue the conversation in upcoming What's In Store Podcasts that are available wherever you find your favorite podcasts.

[SLIDE: Opening]

Whitney:

"I am Whitney Atkins, Vice President of IDDBA and I am joined today by my colleague and friend Heather Prach, Vice President of Education for IDDBA.

Heather:

" We heard your feedback asking us to speak to the changes and trends in the industry.

So here we are delivering it to you today.

I will be referencing our What's In Store Live Area that is put together by 65 innovative industry professionals along with the Education Team at the IDDBA. "

Whitney:

Our role this morning is to bring you what's trending in our industry right now.

And how those trends will shape the tomorrow's of the association, our members, and our industry.

2023 has been a reset year.

Collective sighs of relief have been heard as together we are forging ahead.

I can’t promise you won’t hear words like pandemic, inflation, and balance.

But our purpose today is for you to hear how the IDDBA works 365 days a year

….the how and why behind the need for manufacturers, distributors, and retailers to predict, know and react to consumer trends.

Today, you will hear us discuss the complexity of today’s consumer and why trends are no longer one size fits all.

OK Heather, you’re up. Let’s talk trends!”

Heather

… “importance of trends in general

How do trends develop?   Why are they important? How did we come to the conclusions?

trends are patterns in behavior, actions, or preferences of groups of individuals that are driven by societal developments, economic conditions, technology advancements, or cultural shifts.

These patterns tend to shift each year in small ways but shift in large movements over the course of decades.

Trend analysis involves identifying patterns and making predictions about their future impact.

Why is this important?

Because….Patterns change. This process can help businesses to adapt and stay relevant in a changing environment, and help them not only stay ahead but to also build differentiators.

We continue to see that buying patterns due to many challenges are evolving faster than ever before.

If our industry and individual companies don't stay ahead it is easy to fall behind.

The trends we launched in December are proving to be growing and to be solid and safe. They are overarching concepts that are taking us through the current fresh grocery climate.

The ability to run anything in auto-pilot, or to take a break is over.

This pushes us in operations to distinguish between the items that are SOPs versies the constant need for change, training and evolution.

If I could narrow down what it takes to stay ahead to one word, that word would be flexibility.

We need to be fluid and flexible and evolve from rigid and legacy patterns.

These words have constant relevance because they have become part of daily consumer conversations and concerns, therefore they are instrumental in developing and shaping today's trends.

[SLIDE 2: “What’s in Store 2023”]

Our trends are broad and written utilizing data analysis, consumer responses and

taking into consideration a shopper survey we conducted in May 2023 with 1,550 consumers giving feedback.

It is important to note that this survey was conducted in May to

bring the most up-to date information to you here today.

We have created videos from consumers and experts,

market overlay, and sales data from Circana to review with you.

We also need to consider the 5 current generations of shoppers when we are discussing trends and consumer insights as the preferences,

behaviors and actions can vary greatly.

[SLIDE 3: “Five Generations of Shoppers”]

The Silent Generation

the oldest group of current shoppers and is often referred to as “traditionalists.” , generally conservative in their shopping habits, and tend to prioritize quality over price.

The second is the Baby Boomers known for their consumerism that prioritizes convenience and value for money.

Third we have Generation X known for their financially conservative behavior and are cautious spenders. They are also tech-savvy and prefer online shopping.

Fourth are the Millennial- tech-savvy and heavily reliant on e-commerce prioritize experiences over material possessions and value social responsibility in brands.

Last we have Generation Z digital natives, shopping habits are shaped by social media. They value personalization, authenticity, and sustainability. Gen Z tends to be the most willing to invest in higher priced products that align with their values.

There is a sizable current divide in consumer behaviors right now with the rapid changes in technology and viewpoints on governance.

As new generations emerge with their unique characteristics, this will create further shifts in consumer trends and expectations in future decades.

Here is where patterns change: in 2019 the amount of Millennials surpassed the amount of Boomers, and Gen X will surpass the amount of Boomers in 2028.

Soon it is predicted we will see the amount of households led by people under 40 will outweigh the amount over 40. “

[SLIDE 4: The Roller Coaster Ride Continues”]

“Our Roller Coaster ride started in March of 2020 with the start of the pandemic, … continues on even though several times it has felt like we would be pulling into the end station.

Today that coaster ride is dominated by Inflation …

… rising debt levels, sinking savings rates, and credit card debt up to a trillion dollars across the nation.

… wages not keeping up with inflation rates.

The government food assistance for SNAP emergency funds was cut on March 1… affects the amount of dollars spent on food for close to 25% of the people.

…a lot consumers have lower confidence in their abilities to pay back and afford the types of expenditures they have in life.

… continued to keep a very home centered world. While this is in favor of food retailing, also seeing many challenges uproot with the changes.

However where there is change there is opportunity.

We are seeing big opportunities for premium purchases and strength in the Dairy, Deli and Bakery departments. IDDBA launched The Five Guiding trends in December and will continue to study them through 2023.

[SLIDE: “Join us in What’s In-Store Live”]

IDDBA’s 365 day a year work comes to life in this year’s What’s In Store Live area that I know you have been extremely passionate about. from AI, technology and yes even the chance to eat a scorpion your vision for our five guiding trends to create theater and engage the five senses really speaks to what retailers do throughout our dairy, deli and bakery categories.

What’s in Store Live brings the digital pages of our What’s in Store trends guide to the next level.

What’s In Store is updated monthly and quarterly as we too know the importance of being nimble for our customers-you our members.

[SLIDE: “What’s in Store - Mobile”]

What’s In Store can be accessed from the IDDBA app and on IDDBA.org.

On the go and at your fingertips,

[SLIDE 5: “Guiding Trends 2023”]

#1 Whole Health, Whole Heart, Whole Self

#2 Consumer Defined Convenience

#3 ABCs of ESG

#4 Worth the Value

#5 Innovation and Technology

[SLIDE:6 “Whole Health WH WS”]

Guiding Trend #1

“Whole Health, Whole Heart and Whole Self. This is fun for our categories, and this is why we start with this one. Healthy combines both physical health and emotional well-being.

Consumers are more educated about nutrition, and physical health than ever before and they want to know what they are putting in their bodies,and it is no longer taboo to talk about mental health, and the overall pursuit of happiness.

[SLIDE 7: “Health focus is not a constant”]

There are almost 80% of people that relate emotional well-being(happiness) and Healthy.

There is a balance here to combine indulgence as a treat with happiness along with still remaining healthy.

Health focus is not a constant.

[SLIDE 8: “Healthy plays out in many ways”]

There is also not one solo definition for “healthy”.

Healthy can vary based on view points that are generational, or regional, The increase of food allergies, or results based diets but there is a wide range of these physical call-outs that each individual is looking for so if you are trading up for ingredients make sure to make that call out on the labels and packaging.

This is also true with clean ingredients.

Any and all attributes should be clearly called out
whole grain, high protein, organic, non-gmo, free range eggs, happy cows etc.

[SLIDE 9: “Shoppers have become Label readers”]

Labels matter and shoppers have become label readers.

Consumers are looking to indulge occasionally to feel good and celebrate….and thankfully we have found many ways to celebrate.

People are celebrating and honoring themselves more this goes beyond just the traditional Holidays.

“I made it through a meeting that could have been an email is a reason to celebrate yourself and indulge with cake.”

[Additional: “Whole Health Whole Heart Whole Self”]

Along with ingredients portion sizing/ right sizing is important here. Back to balance, and a bit of healthy discipline.   Eating the whole cake may take away those happy feelings.

Families are smaller/ more people are living on their own. 70% of households do not have children, and the average household has 2.5 people and is the lowest rate we have had.

Sizing for the meal planning and the amount of guests is important here for health ,value and waste concerns

Offering sizing options is key to covering your customers needs

Healthy plays out in many ways…..

Whitney, what are your thoughts as a marketer?

Whitney:

… "marketing strategy plans are built around segmentation, targeting and positioning.

As really has been the case the last few years, mass marketing plays a role, but with technology of loyalty programs, social media and ecommerce the consumer wants and expects personalization. The consumer has defined how we must all build our marketing strategy.

Case in point ,

how consumers go about being their best selves or creating healthy spaces for their families are really up to them to decide.

Yet our roles as marketers is to create messaging to help them decide,

and it starts by recognizing the complexity of the consumer post 2020, 21 and 22."

[Slide:10 "Reflect the health…" chicken and cake]

In store signage that highlights the benefits of oven fried chicken like 30% less fat and 20% less sodium speaks to one consumer voice

while the fun Life's too short…to say no to cake message nearby speaks to another… together the store has just created a customer solution.

Throughout today, we are not saying abandon what we have learned over time about our consumers. In fact, quite the opposite.

Manufacturers also recognize it is no longer one size fits all.

What do I mean by that? Look at it in the lens of this trendWhole Health, Whole Heart and Whole Self

Consumers do seek out ways to generally be healthier.

[SLIDE:11 "Can the Store Help"]

62% of shoppers want transparency of basic nutrition facts as you can see in this slide.

These words on labeling, In store POS and in e-commerce descriptions may indeed help shoppers feel better about buying decisions.

- Around a third of shoppers find personalized nutrition programs and tips are important.
- Another way to consider merchandising products is single serve or smaller packages. Consumers feel less indulgence guilt.

[SLIDE 12: "Curate and Ideate"]

..curate and ideate stories through in store marketing.

Look at the many ways retailers are educating consumers by the use of in store messaging and marketing. Here is educating consumers about health through merchandising that will increase sales and loyalty. POS tells the consumer what the healthy products are and how they contribute to a healthier lifestyle.

…dairy section that addresses gut health and immune support.

It speaks to consumers focusing on improving physiological concerns like gut inflammation that can cause health issues.

[SLIDE 13: "Balance is the word du jour"]

All of these pieces fit together to really help consumers be their whole self.

You can see here that 77% of those surveyed say that it is completely fine to occasionally enjoy some treats.

It's that ever important word Balance.

[SLIDE 14: "Portion Size can create permissibility"]

Look how retailers are again creating balance in merchandising portion sizes from deli and bakery.

…notice how the extra value is in Asian flavor trends and reaching 5 generations as variety is the key to the Millenial heart.

[Additional Notes: Guiding Trend #1]

5 guiding trends are interwoven and really speak to the totality of consumer behavior. These five trends really enable manufacturers, retailers and marketers to tell the consumers stories

which is exactly what What's In Store Live 2023 does.

What was once content marketing has now become storytelling."

Guiding Trend#2.

Consumer Defined Convenience

[Slide 15: "Consumer Defined Convenience"]

Heather:

"Consumer defined convenience is continuing to grow in grocery retail, food service, and in c-stores.

The on the go lifestyle is back. Many companies have started to open their offices and bring workers back to the city at least one day a week.

[SLIDE 17: The Balancing Act]

Feeding the family has become a balancing act between money, health, taste and time.

We see that saving money ranks the highest here,... not at 100% … a lot of opportunities for taste, and nutrition as well as saving time. This is something our categories are good at.”

[SLIDE 17: “Life has become… Continuums”]

“Life is about continuums.

… not a single shopper that ALWAYS saves money, ALWAYS shops for healthy, or that ALWAYS chooses new over nostalgia.

Convenience in the right time for the customers needs is important… a great example is pizza. Ready to eat and still be customizable serving it hot and instore customize a bake at home- easy to grab and heat on your own time or create your own with the help of some premade ingredients if you have a bit more time, or want a family activity.

This is a great illustration of how life is about continuums

and how that can really play out by taking one concept with many options of execution”

[SLIDE 18: “The Hybrid Meal has taken over…”]

“Home cooking burnout helps our categories and fuels this trend…

and **move over food service**

41% of shoppers are cooking mostly from scratch, while 50% mix scratch with semi and fully prepared items. This can be items from deli along with meat and produce,

Only 9% are mostly shopping fully prepared items.

[SLIDE 19: “Shoppers Want Convenience”]

“Shoppers want convenience as an option. This is led by Grab and Go.

55% of shoppers want easier shopping with grab and go.

Make sure these items are stocked through the day and night.

Shoppers may be thinking of future meals while in the store. Or there are later shoppers getting home from kids sporting events, or a long day at work

… know their local retailer will have a reliable selection of grab and go along with easier preparation items that they can quickly heat and serve no matter what the time.

Quick breakfast items especially in bakery have been seeing huge growth since 2020:

donuts, croissants, pastries, and muffins have all grown.

Some shifts from being home have built habits and taught people how to save.

Grabbing a quick piece of bakery and brewing coffee at home can save time, and still feel indulgent.

When comparing to coffee shops, coffee and bakery need to be tasty, high quality, but affordable.

There is also an opportunity here for a loyalty program that promotes a regular morning habit stop.

When we move into the other meals of the day retail is competing with fast casual food service.

The prices have increased at restaurants and within fast quick grab restaurants, sending people to grocery and c-store. Service is important here.

[Additional Notes: "Consumer Defined Convenience"]

Can the consumer get customization, quickly through the local retailer? … within the department and through the POS. This pushes the demands for ordering systems, delivery, make on demand, and staffing for the key rushes.

Home delivery and ecommerce have been difficult for our categories to execute in retail, but would be worth the investment.

There is a bit of margin lost with the delivery services but 46% of shoppers are wanting that option.

Maximize the ecommerce platform to give recipes, meal solutions and meal planning within the platform can be a way to increase sales.

Show the full sandwich, and meal pricing in the departments… show value and savings

… here to upgrade to a fresh baked bread in the deli or a small indulgent upgrade to brioche bread, a bagel, croissant"

[Slide 20: "Self service is fast growing"]

"Service is still important to our departments for customization, but grab and go is continuing to grow. … retailers are shortening deli hours, and decreasing the full service counter sizes the grab and go should be well merchandised and kept full, again all hours of operation for customers to be able to have quick options."

[Slide 21: "Cross merchandising for convenience"]

"Cross merchandising increases sales and profits… designed to scream convenience.

…the continued innovation of refrigerated cases

have enabled retailers to increase opportunities to provide convenience and solutions for the consumer"

[Slide 22: Leveraging co- and cross-purchase insight]

… shoppers data today allows retailers to plan and allocate shelf space and tie ins to what consumers buy together.

The retailer wins in sales and profits, but also with the consumers perception of it being right there when they need it. It gives that sense of personalization.

The consumer goes home feeling good because time was saved because the store had everything in one place.

And it can also create impulse shopping by adding an item to the basket the shopper may not have thought about.

…loyalty shopper data is invaluable when addressing the need for personalization.

Certainly, setting a case for every individual shopper is impossible,

but it is not impossible to make plans to address the overall shopper profile in a store or group of stores.

[Slide 23: Delivery and takeout are huge]

Heather:

“Delivery and Takeout are huge when you look at the restaurant side, but not as big in grocery. This is the first clue that restaurants are outdoing retail and in turn tells us there is a huge opportunity here. 60-80% of people are doing restaurant takeout, whereas only about 30-40% people are doing grocery retail take out or delivery.

There is a huge gap here and where there is a gap there is an opportunity to close it. When people run out of time, or they are not in the mood to cook the grocery deli hardly ever wins.”

[Slide 24 : The Time Crunch]

…" reality restaurants pick up those occasions.   Why do they not go to grocery retail, it is not necessarily the selection only 32% felt it is not viable alternative.

… 68% of consumers don't even think about it.

[SLIDE 25: "Deli-prepared is an occasional choice"]
"You might look at this data and only see the Nevers…marketing's role is to create messaging to change the behavior of the nevers By adding marketing messages to instore implementation loyalty will emerge."

This same cross merchandising and marketing can be used on e-commerce platforms. Bundle the items togetherGreat way to address portion sizes This is a way NOT to miss an impulse buy

While creating convenience for the consumer"

[Additional Notes : Consumer-Defined Convenience]

"Curbside pickup is here to stay. It is convenient, quick and

provides options for the family meal…During the pandemic restaurants innovated quickly with curbside as a means to survive

Retail delis can now take advantage of the consumer adoption

Can you work with the existing online technology to make this possible? Can you use on the go ordering beyond the center store to answer consumers' needs?

Provide a busy mom solutions… will become your ambassador. Which will create a positive mindset for her and will create loyalty…Think of how creating and maintaining a consistent menu can create an experience which leads to loyalty."

All too often we forget how long it may take to create consumer change….. experts say 72 hours, some say 30 days…but for sure it will take longer and consistent shopping experiences to create the change.

Marketing has to create the narrative whether in ad plans, digital ads, social media but the store has to deliver.

Adoption of these programs or offerings take time. Our industry thrives on instant results and more time than not we simply give up too quickly.

Much like our 5 guiding trends and our 5 generations of shoppers it is not only marketing and it is not only store execution. They must be in sync, starting with clear communications and expectations.

… tells me you are thinking. Either we don't have the labor or can't afford it. Can you afford not to? Consumer behavior is dictating we must."

[Additional Notes: Trend #2 Consumer Defined Convenience]

"Convenience will forever lead the forefront in consumer shopping behavior. Consumers will be forever time starved."

If you are a retailer with C-stores

how are you integrating dairy, deli bakery, and FOOD SERVICE ?

If you don’t have C-stores you must consider those who do in your market competitors.

C-Store operators were focused on the future of the customer pre pandemic.

and that work led to their success in leading innovation and technology to meet the consumer where they were…..

[SLIDE:27 “Selling a meal for now”]

Marketing promotions like Buy One, Take One.

…take advantage of the rushed shopper at lunch time?

Maybe it is buy lunch for tomorrow, dinner for tonight and breakfast for tomorrow morning.

Do we have fresh grab and go ready for lunch if they run in for that quick breakfast?

[SLIDE 28: “Driving higher engagement”]

What can you as a retail organization focus on today to continue to provide the experience consumers want and need post pandemic?

…dates, to ingredients, variety and portion sizes interesting again which ties into our other guiding trends.Make it easier for the shopper. Make it convenient And make them a hero. They are home and have forgotten anything”

[Slide 29: “ABCs of ESG”]

IDDBA’s ultimate vision is to be a connector of people and ideas.Connecting opens so many opportunities.

…connections who were starting ESG conversations way before ESG was what it is today.

One colleague and friend started work years ago really from a science perspective, but when he combines that with his marketing experience he breaks it down like this:

Sustainability is what a business does. it is the capacity to continue operations

focusing on the interplay of environmental, social and economic factors It is internal

ESG is how a business reports ESG investing is an approach to measure investment risks when considering a company’s performance and rating Heavily focused on the E-Environment It is external

(Source: Manuel Vexler, Executive Director, AKFI)

[SLIDE 30: “ESG is rapidly moving into the spotlight”]

“ESG is going to be much more important to your later generations. These generations grew up learning the importance of the planet and recycling.

ESG is now taking the conversation beyond just recycling and sustainability for the environment. “

[SLIDE 31: “Importance of various ESG component”]

It is shifting cultures to model a full 360 impact. It is taking into consideration the amount of energy used in all aspects of the product lifecycle.

The amount of fuel used in transport promoting local.

It is voting with purchases that support local entrepreneurs, b-corps, minority owned, fair trade, fair wage and making social impacts.

These marketing call-outs are helpful as differentiators, but consumers are looking at the big picture and full companies.

They are doing their research, so this goes far beyond just launching a line of products that is sustainable. It is internal and the should be the nucleus.

It is modeling it within your entire operation, and investing in the ESG areas you want to promote. Small impacts equal large movements.”

[Additional Notes: “The ABCs of ESG”]

Whitney:

Environment Social governance is important because consumers say it is.

Five Americans out of ten say ESG is important.
…Food Safety Modernization Act and the tremendous amount of joint efforts to create the standards for our future.

The intent of the code is to promote predictability, transparency and fair dealing as ingredients and products make their way from suppliers to stores and to consumer's tables.

…across our industry both domestically and globally we see understanding ESG is imperative. It is forward thinking for the future of food supply.

[SLIDE 32: "The planet and animals: more people care"]

"Interest in the planet and animal welfare is growing.

Well kept healthy and happy animals equal better for the environment, humane animal practices, and better for you products."

…if you are taking the time and making the spend call out all of these attributes on the packaging. Consumers are interested in a story. They want to know the backstory of the ingredients and personalized stories of the producers, farmers, and even the animals involved.

[SLIDE 32: "Understanding plant-based"]

There continues to be a buzz around plant based.

Back to balance it isn't trending to be an ALWAYS for many, but a place to explore for most shoppers.

There are 57% of consumers that purchase plant-based dairy alternatives, but only 13% purchase all the time.

Milk alternatives, dairy cheese alternatives, and lunch meat alternatives are all trending down over the last 52 weeks in unit sales.

Consumers have started to question the ingredients and opt for clean ingredients over processed plant based products.

What continues to drive plant based: better for your health, prefer the taste, and better for the planet.

Balance.

Consumers are purchasing plant based items, but few are only purchasing plant based items”

[Additional Notes: “The ABCs of ESG”]

Whitney:

Post pandemic, as consumers purview really switched to Whole Heath, consumers also began to shift their thinking to how can I make a difference.

…while still focused on the “I” they now really want to understand how what they do will impact the greater good.

Recently in reading about how marketers use ESG, I came across a highlight of a successful QSR.

Phrases like “the brand” delivered sales …

Highlighted in the annual report were ESG initiatives including community and most importantly labor.

[SLIDE 34: “Creative food waste prevention”]

…sustainability is internal and ESG is external.

For many years, identifying and implementing food waste in retail was operationally driven to reduce shrink…

and as a side bonus if you could create a program to get in kind credit by donating to food banks then cool. Those programs were often difficult to execute.

Here we are today reiterating how the consumer is ever concerned about the product lifecycle and letting us know with their wallets.

There are countless dedicated groups to provide support and education for upcycling food, retailers offering "competitions" for the best innovative solutions, subscription services that focus on upcycled food, and even the creation of outlets in food desserts to offer healthier fresh solutions.

ESG is the reporting, the story which comes full circle.

It helps you retain and gain internal stakeholders like investors and employees

while retaining and gaining customers.

[SLIDE 35: "Webinars - On the Web and App"]

You can see how the first three trends have helped IDDBA tell the story.

In our 365 day a year work, our weekly webinar series is designed to bring our audiences, Ideas from expert panelists who cover an array of data resources, provide solutions to business challenges and present leadership soft skills to grow individuals.

…register through the IDDBA app and on iddba.org. Plus, IDDBA members have on demand access.

It is a way to bring our members value.

[SLIDE 36: “Worth the Value”]

Guiding Trend #4, Worth the Value, which much like Consumer Defined Convenience reminds us that value is in the eye of the beholder.

Heather:

Inflation is dominating so many of the food purchases. More than anything the message in this section is not about price, it is not about a race to the bottom, it is really about affordability and worth the value.

[Slide 37: “Life Is…”]

“83% of consumers agree that life indeed has gotten more expensive.

…look at the sales numbers and retail numbers we can indeed see that life has gotten more expensive and we know this not only as consumers but also as industry professionals.

If we look at total food and beverage we can see that there is an average price of $3.87 and that is up 13% vs a year ago.

If we compare that to pre-pandemic and to prices in 2020 prices are up 27%.

If we look at our own categories we can see that deli is higher than average at $5.98 with an increase of 9.5% over last year, and 22.6% over 3 years ago.

Dairy and Bakery are below the average cost, but prices are still up and up over the 13% to last year.

These price increases have not gone unnoticed.

[Slide: “Many Ways to Save”]

Consumers are really seeking ways to save. Some of these benefit us as retailers whereas some others really mean that we have some pressures of our own.

As you heard consumers are trying many different things from buying less, wasting less, looking for deals and promos.

Teach customers how to use their leftovers, while lowering the instore spoilage as well. Get creative with boards, and snacking.

Anything can be added to a board… great way to get creative with ingredients you have left in the cupboards or fridge.

Bread is a great example for using the full product and turning it into bread pudding, bread bakes, croutons, bread crumbs etc.

[Slide:39 “Restaurant savings open the door for retail”]

Consumers are also reducing restaurant spending.

They are creating a lot of the restaurant meals at home, and this really is a space that we can maximize on for growth for many years to come.

We asked the consumers what are the meals that they are consuming from restaurants less often.

As you can see a vast majority comes from dinner that is also the largest meal occasion in a restaurant.

Others that aren't as big are your lunch and breakfast. We are seeing items from these categories growing in retail.

There is a large opportunity to capture these meals and show the consumers how to make them affordable."

Whitney:

…"still ringing true through our trends is there is no one way a consumer, a generation shops.

[Slide 40: "Point out the Cost Effectiveness of Cooking"]

… already see this messaging happening in stores Look at how this creates solutions for shoppers wanting to recreate restaurant like meals at home.

We know that consumer adoption takes time

It may take a bit of time for our delis and bakeries to become the destination for that special night in, We may not start off by being the go to for family game night, movie night or quick on the go dinner … can be where they pick up the prepared salad, rolls and dessert.

[Slide 41: “Lots of planning pre-trip and in-store”]

We can not ignore that the consumer remains concerned about inflation. This leads to shoppers looking for value in the traditional sense of the word.

Consumers are planning shopping trips before they hit the store by comparing you with your competition.

Checking out your promotions pre trip and comparing prices and promos in store.

Perfect example of nostalgia or newstalgia. Shoppers often shopped this way prior to advances in technology. Handwritten lists, shopping ads etc…then in 1983 this thing called the internet happened and changed the world as we knew it…that was really only 40 years ago and then it was not yet widely adopted. Loyalty shoppers cards came in play in the late 90’s and early 2000’s.

As we can see from shopping behaviors and the impact of the last couple of years and record high inflation, consumers are going back to making lists and competitively shopping once again. Saving is top of mind and this is how shoppers are making decisions.

[Slide 42: “Private Brand Popularity”]

It is worth noting that 46% are more likely to purchase store brands.

Store brands are pretty easy to identify in center store. How can a consumer find them in your bakery? In your deli? In your promotional activity?

Then, what other business measurements can you benefit from your own manufactured products? Bottom line results, sales and profits which can be reinvested in marketing, technology or both.

[Slide 43: "Help Train Digital Behavior in Store"]

… how the consumer shops now, but know much like what we have said about consumers are not one size fits all rings true here.

In marketing, creating digital solutions and personalization continues to be imperative in the buyer's journey.

Look how supporting digital is done in store. Best in class retailers are supporting digital in traditional media as well.

53% of shoppers believe personalized sales promotions are a good or great idea.

[Slide 44: Lots of Promotional Creativity]

From App rewards, to clubs and mix and match promotions the value proposition for the consumer is there.

…remind our audience that the IDDBA app offers year round value.

[Slide 45: “With the IDDBA App”]

Our What’s In Store Digital reporting, monthly category reviews, live and on demand webinar series are at your fingertips. Plus, the IDDBA app offers the opportunity to connect to app users anytime.

[SLIDE 45: “Discount Variations are entering the market”]

Tried and true marketing messaging is more relevant to consumers than ever before.

Buy One Get One, instant savings and bulk/family packs. that New or Newstalgia …

some of our old promotions are made new again and translate into sales and profits.

[SLIDE 46: “Inflation related communications…”]

…”Price drops, price comparisons, promotions. Look at how the “real estate” is used to deliver subliminal consumer messaging and reiterates value.

…that the innovation and nimbleness of manufacturers to address this trend from packaging to portion sizes really has been nothing short of wow especially with all the challenges that the pandemic created”

[SLIDE:47 “Pack size strategies vary wildly”]

…” importance of reaching the 5 generations of shoppers, the complexities of understanding today’s consumer and how our guiding trends provide data driven merchandising and data solutions.

“Worth the Value” goes back to the importance of mix.

This time from how the consumer determines what is worth the value to them.

[SLIDE 47: “Money-saving measures hurt unit sales”]

Some of these things have helped our sales, but some have hurt unit sales.

You can see the pressure on the departments but the largest area of deli is only down in unit sales by 1%.

Bakery perimeter is trending by percentage a bit better than bakery aisle.

Back to the customers… want to treat themselves and move towards the customizable, fresh for occasions. For dairy eggs are still feeling pressure, and milk.

Although, natural cheese is holding strong considering.

[SLIDE 49: “While Inflation Boosted Dollar Sales”]

When we look at dollar sales inflation percentages are still offsetting the decrease in the unit sales.

This forces us… look at where are margins sitting and what can retailers do to optimize margins”

[Slide 50: “But Good News with High Engagement”]

There is good news, we are seeing high engagement.

There are three ways to increase sales:

More people buy, people purchase more often, and to have people spend more.

For Dairy, Deli and Bakery there is high household penetration of 98-99%, its not about getting the customers into our areas, but more about getting them to purchase items they wouldn’t normally grab.

Shoppers are making 52 trips to the deli a year,

62 trips to bakery, and 64 trips to the dairy aisle.

Bakery and Dairy are seeing customers make trips more frequently than once a week.

There is a great opportunity here for occasions.

The dollar sales we are seeing in the categories are more influenced by inflation dollars than units.

… not only in our categories, but throughout the store.

Customers are doing more frequent trips with smaller basket size.

[SLIDE 51: “Even Better News”]

The even better news here is again this isn't a race to the bottom. Only 7% of consumers say they strictly stick to a list.

That leaves 93% of open opportunities for impulse shopping especially while in store.

Demos, sampling and theater are a great way to capture the shoppers attention. E-commerce merchandising is also key here showing the online shoppers items that would pair well,

items on promo that would be great additions, and to show recipes including the items.

Shoppers are most likely to splurge for special occasions, and for entertaining.

[SLIDE 52: "Celebrate holidays and special occasions"]

We talked about creating an event.

Valentine selling tents and events…digital ordering etc…think of how to use the technology to

[SLIDE 53: "Innovation & Technology" guiding Trend #5]

Heather:

"Often innovation is a result of solving an issue. This continues to remain true. There are some things that have forever changed, and rapidly during the pandemic.

… ecommerce was on the horizon…hurdles to bring Brick and Mortar there.

In the last three years the industry jumped 5-10 years forward quickly because there wasn't a choice."

[SLIDE 54: "Technology is a reality"]

Technology is a reality and you can choose to ignore it, or accept it. Acceptance doesn't always mean understanding or liking it.

You may not be the expert, but hire for the future and you can build a team that can help you. Technology is about creating efficiencies.

In it's current state and into the foreseeable future it can be partnered with customizing, service to continue to deliver positive experiences.

Social media allows your company to brag, promote, and market quickly and inexpensively"

[Additional Notes: Innovation & Technology]

Influencers are growing and in fact everyone is becoming one.

…team and customers celebrate your brand or store.

Digital pricetags take away the exhausting time it was taking to retag and can take away a bit of the human error during resets.

Self checkouts are commonplace it seems everyone is able to navigate this technology. "

[SLIDE 55: "Apps, Screens, and deals"]

Create an app and a subscription program to build loyalty.

Fast Casual has done a great job here with apps and loyalty programs, and balancing labor.

I have a drink club membership. You just order on the app and go in and grab your own drink.

Are there ways to build simple loyalty programs that build more instore visits.

Digital screens allow for instant change and marketing…. drive sales.

Screens can be used in idle time… at gas stations with many advertisements at the pump. “

[SLIDE 56: “Meal Inspiration has gone digital”]

“People are learning how to cook, use ingredients and getting inspirations digitally.

Three of the generations are using much more digital than any other source.

The Boomers and Silent generation are still using cook books, but are influenced by family and friends than may be using digital.

Millennials and Gen Z are not as influenced by routine so they are looking to explore.

Also stay ahead of the viral trends and merchandise to these.

In my grocery days we always need to be aware of what Dr. Oz had launched in his shows as we would be flooded with requests and if we could build an endcap quick and increase orders we could grab sales here.

This is true with TIkTok, Youtube, Facebook trends.

[SLIDE 57: “Food has become … fuel …”]

Food is fuel and nutrition as much as social and entertainment. It is now becoming art in the presentation, and a fun way to explore the flavors.

Social has brought food to the top of the conversation and people want to shock with flavors.

But remember the digital and social worlds move fast, so you need to stay ahead and take some risks.”

[Additional Notes: “Innovation & Technology”]

Don’t be afraid to create experiences in your app.Create an easy to use experience so your customers aren’t as equally afraid to use it.

…my very smart colleague also points out to me that the “word transformation is scary and phrases like ESG transformation and Digital transformation can be overwhelming and cause resistance.

He prefers to say Transformation Sustainability Transformation ESG and Transformation Digital.Breaking it down resets the mindset into buckets. “

(Source: Manuel Vexler, Executive Director, AKFI)

…your buyers journey on an app must reflect this as well. Think of the 4 P’s marketing and make it easy product, price , place and promotion.

Of course in today's world I suggest adding a 5th-Payment options

[SLIDE 58: "The Fifth P"]

Really, the numbers simply cannot be ignored,

earlier this year Statista reported that the market size of the global online food sector was 770 Billion US dollars.

460 billion dollars attributed to the grocery delivery segment and 300 billion dollars in meal delivery.

It is estimated to be 1.4 Trillion US dollars in 2027. That is less than 5 years from now…. we know our industry has proven how fast it come move with technology to meet consumer demand.

…think about the five generations of shoppers,

… unreasonable to think every shopper will use online shopping through an app…think of the growth numbers I mentioned, those are huge dollars that can't be ignored.

[Slide 59: Leveraging online real estate-]

Retail companies recognize the importance of having shoppers attention whether instore or online.

…explosion of retailer owned media companies.

The need for revenue driving outlets have made these media companies lucrative for retailers and must be on platforms for manufacturers and CPG.

It is a way to take advantage of impulse shopping and personalization as this speaks right to the consumer on their phone.

Thinking about our own IDDBA app and other owned media opportunities, these are ways we offer our members to speak to other members throughout the industry.

[Additional Notes: “Innovation & Technology”]

Throughout our time today, we have talked about ways to market and merchandise our key business segments

Some of those ideas of consistent menus, localized promos seemed impossible especially on a local level, but today’s technology makes what was once impossible possible.

… one way for IDDBA to use innovative marketing and technology is through our monthly What’s In Store Podcast

…innovation and technology were key in delivering the entire sensational experience.

[Additional Notes: “Innovation & Technology”]

AI and automation are being explored in every industry.

Food is no exception.

…automation creating efficiencies in manufacturing, and are starting to see it be explored for labor efficiencies across the board.

Along with the Bots mentioned earlier there are a few more concepts in the WISL area worth checking out:

There is a VR slicer training.   Allowing food safety to be trained, and delivered and fully walked through virtually.

There is a much higher retention for employees to walk through a process rather then using videos and job guides.

Think of this for broken glass, spills, slicers, stressful customer interactions etc.

All could be completed through mock training without using up additional labor.   You may run into Coco the delivery bot as they are walking through the floor.   Badger Tech has a bot that scans for planogram execution and out of stocks.

[Closing App Reminders]

…the app works like most social media platforms and really creates connections.

… message app users and directly communicate with your team when you create direct groups.

#bonus this feature is year round…

…way to get feedback in store and online to hear from your customer.

But don’t just hear…listen