

Ideas Ripe for the Picking

Inspiration and best-in-class examples
from grocery retailers around the world

By: Anne-Marie Roerink | 210 Analytics



In a tough environment, both shoppers and retailers are adjusting their strategies

MACRO ECONOMY



Inflation
Record debt vs. lowest savings
Layoffs though labor gaps
Elimination of SNAP EA
Financial crises; recession?

SHOPPER REACTIONS



Money-saving measures
Channel choices
Unit basket pressure
Brand switching
Value forward

RETAIL STRATEGIES

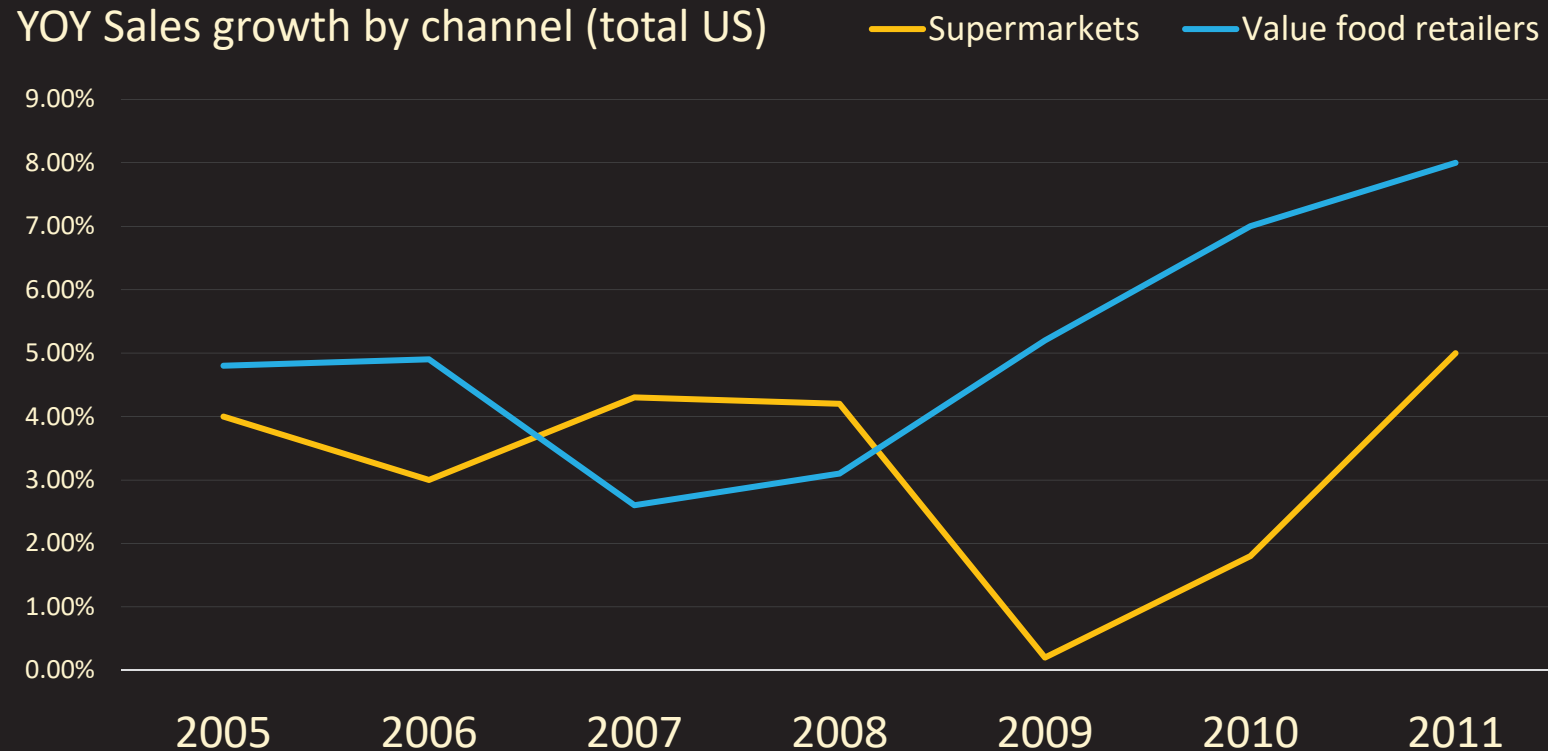


Shopper loyalty/acquisition
Basket optimization
Merchandising excellence
Value and premiumization



Value retailers are leading all growth

Both during the 2008 recession and in recent years



Source: Kantar

2008 recession learnings:

- Supermarket growth slowed significantly whereas value chain growth accelerated
- While supermarkets started rebounding, value retailers continued to track ahead

Hyper inflation learnings:

- Across categories, supermarkets have given up 3-5 share points to supercenters, clubs and online (Source: Circana)



Affordability is top of mind for 8 in 10 shoppers

Money-well-saved vs. money-well-spent

Grocery money-saving measures (% of shoppers):



77%

Where you purchase
your groceries



79%

What groceries
you buy



81%

How much you buy
(items and pack size)



81%

What **brands** of
groceries you buy



Answer with promotional creativity: Time variations



76%

of shoppers are interested in daily specials, such a Taco Tuesday



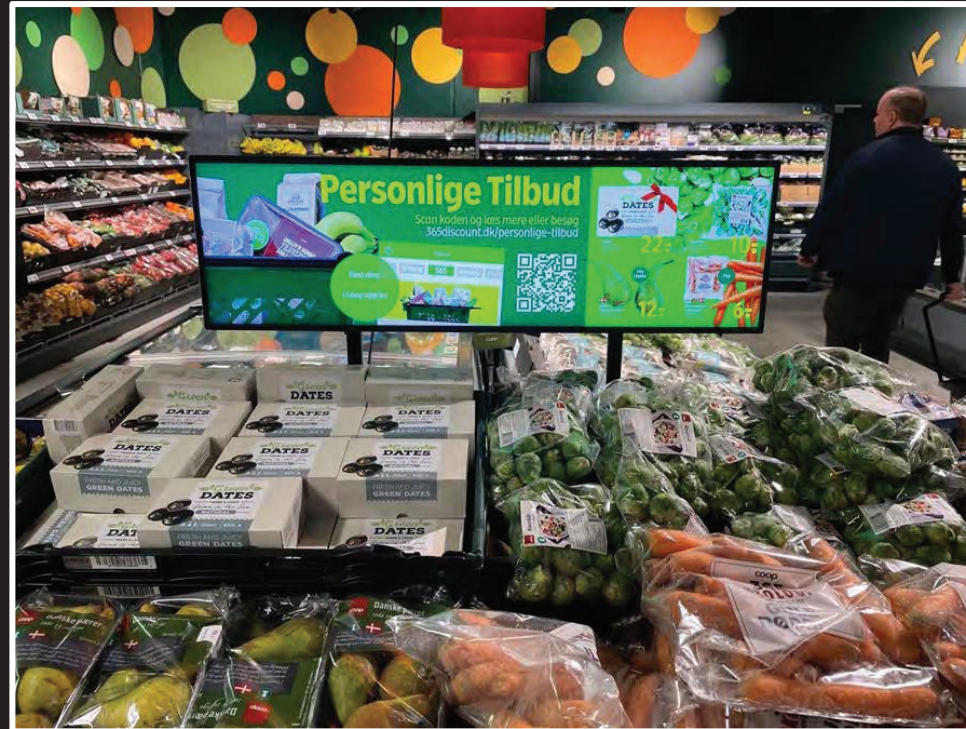
Answer with promotional creativity: Type variations



Answer with promotional creativity: Comparisons



Answer with promotional creativity: digitalization and personalization



53%

of shoppers like the idea of
personalized discounts based on
their shopping history



Personalization works

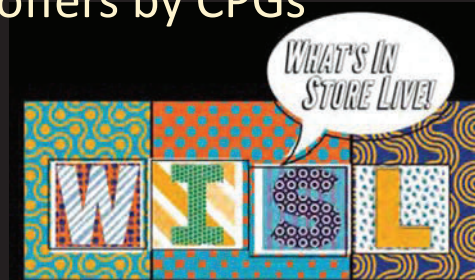
PERSONALIZED AD FLYER EMAIL:

- Personalized items relevant to the customer
- Emailed to guests after ad break date each week
- Matches ALL sale items with customer past purchases
- Avg. open rate: 13.7%

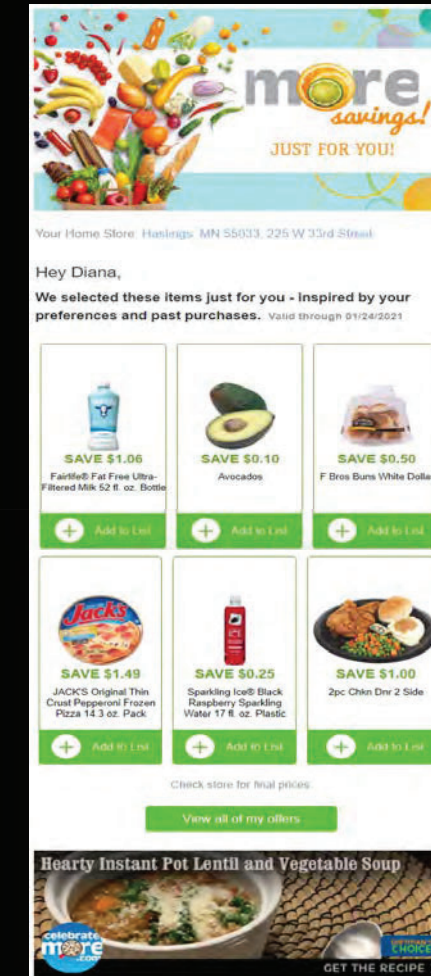
PERSONALIZED DIGITAL COUPONS EMAIL:

- Matches customer purchase history with internal offers + 3rd party (coupons.com) offers
- Avg. open rate: 13.9%
- Challenge: fewer food-oriented offers by CPGs

Source: Coborn's, in partnership with Birdzi



Personalized weekly ad and digital coupons

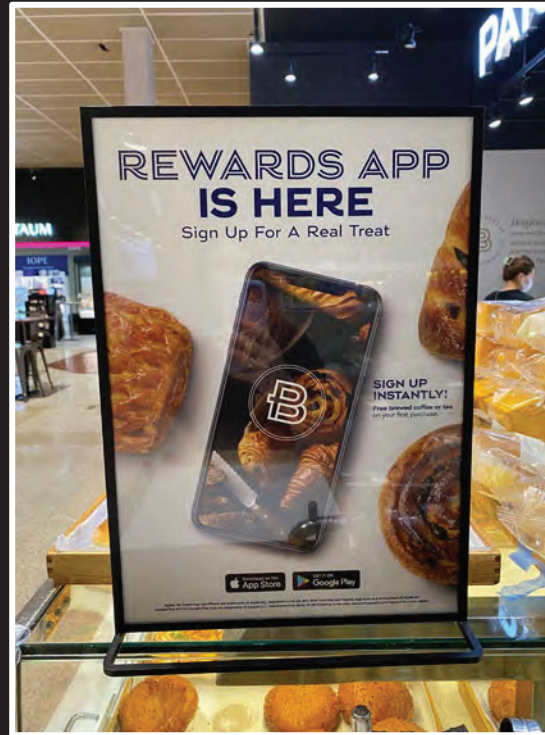


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Answer with promotional creativity: loyalty



Salad club, buy 10 get one free



10 donuts, get one free

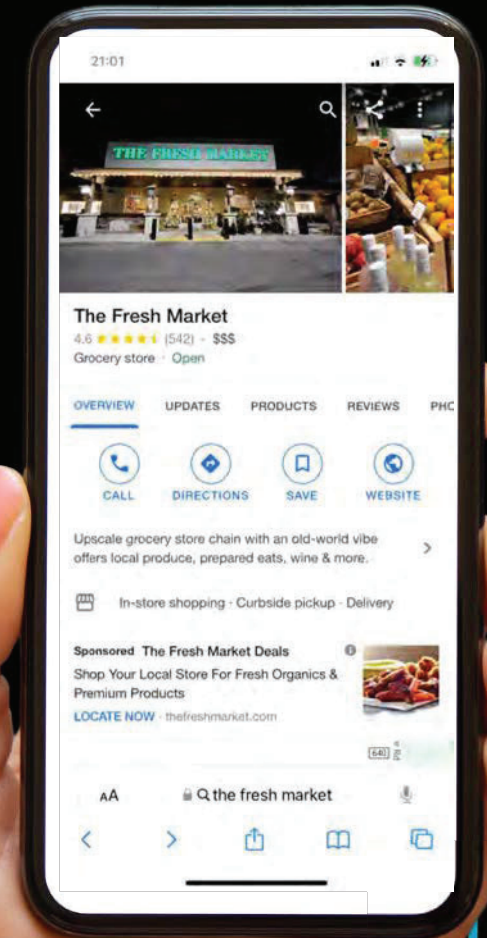


Driving sales and trial

With video engagement increased 5x

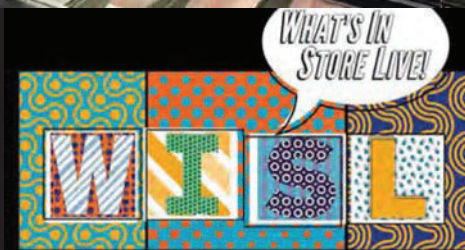
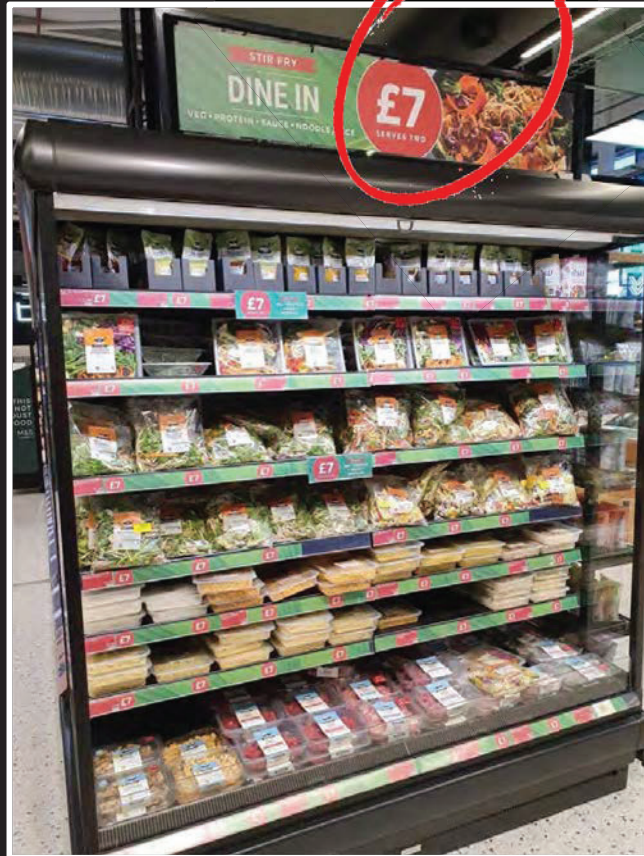
Better open/click through rates

Double-digit increase in ad recall



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Underscore the value of home-cooked meals



While value rules, there are still plenty of reasons to splurge a little

7%

Of consumers don't see any reasons to splurge a little

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

- 51%** A special occasion/holiday
- 45%** A brand I like
- 43%** To do something nice for myself/my family/friends
- 42%** Convenience/to save time
- 34%** Healthier/more nutritious
- 27%** If out of time to prepare something from scratch
- 26%** Replacing a restaurant meal
- 17%** More sustainably, humanely or ethically produced



Reasons to splurge a little: Holidays, special occasions and celebrations

Share of the
population that
celebrates:

93%



Thanksgiving

92%



Winter Holidays

91%



Special occasions
(b-day, anniversary)

90%



Father's Day

89%



Easter

89%



Summer Holidays

82%



Mother's Day

81%



Get-togethers

78%



Valentine's Day

74%



The Super Bowl

67%



Tailgating/
sporting events



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Reasons to splurge a little: Holidays, special occasions and celebrations

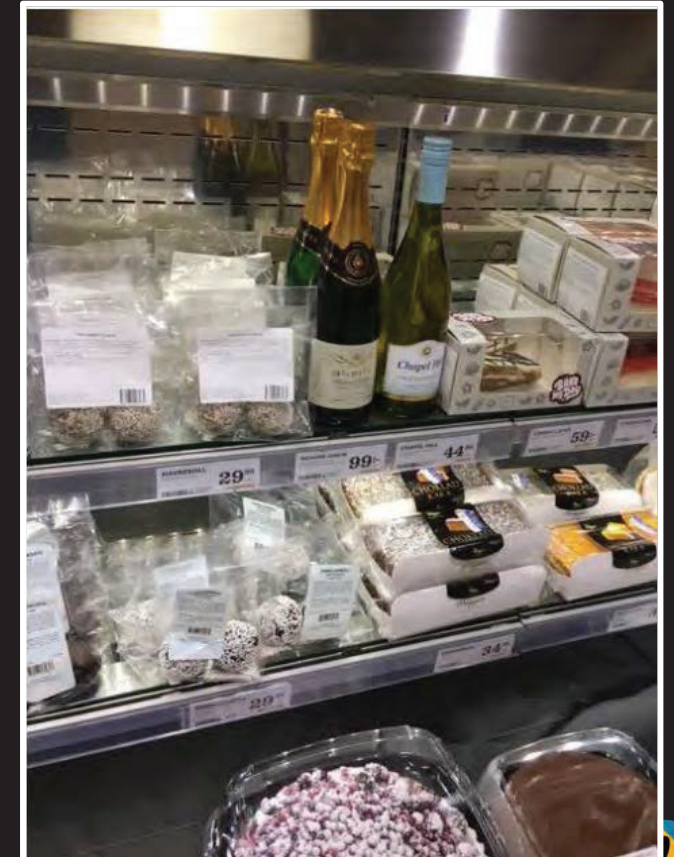
Optimize primary and secondary holidays



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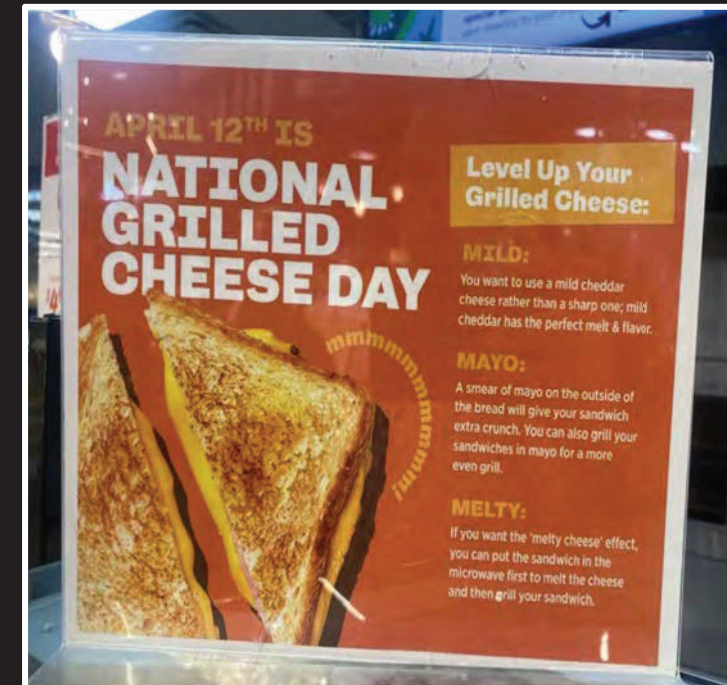
Reasons to splurge a little: Holidays, special occasions and celebrations

Optimize celebrations



Reasons to splurge a little: Holidays, special occasions and celebrations

Create your own holidays: www.nationaldaycalendar.com



Creating new occasions around life's many moments

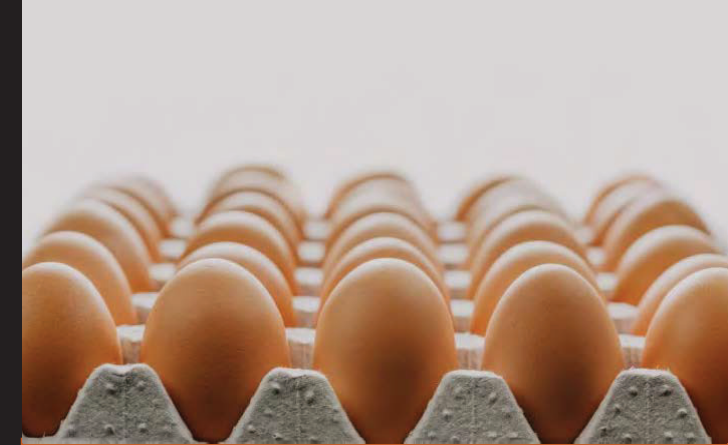
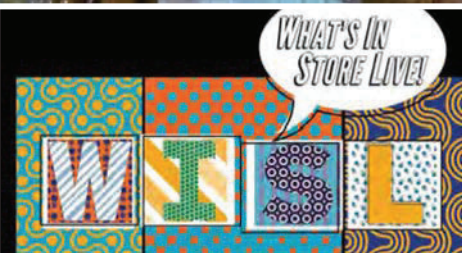


Creating new occasions with unexpected partnerships



Reasons to splurge a little: Branding

Private brands are outgrowing national brands, but at the same time, national, regional and local brands can help drive a premium purchase



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

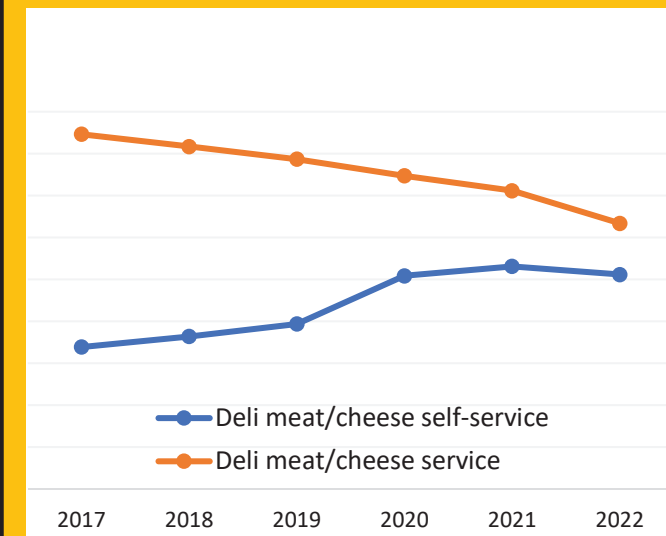
Reasons to splurge a little: Convenience/saving time



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

28.6% 2017 share of \$

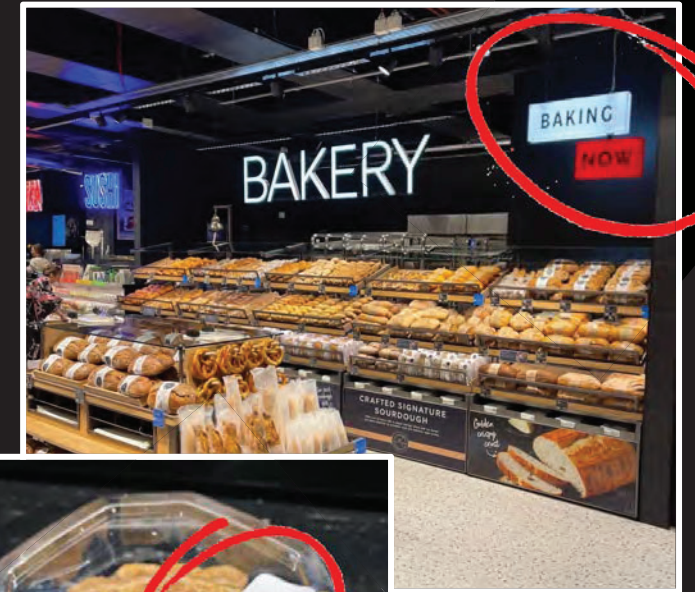
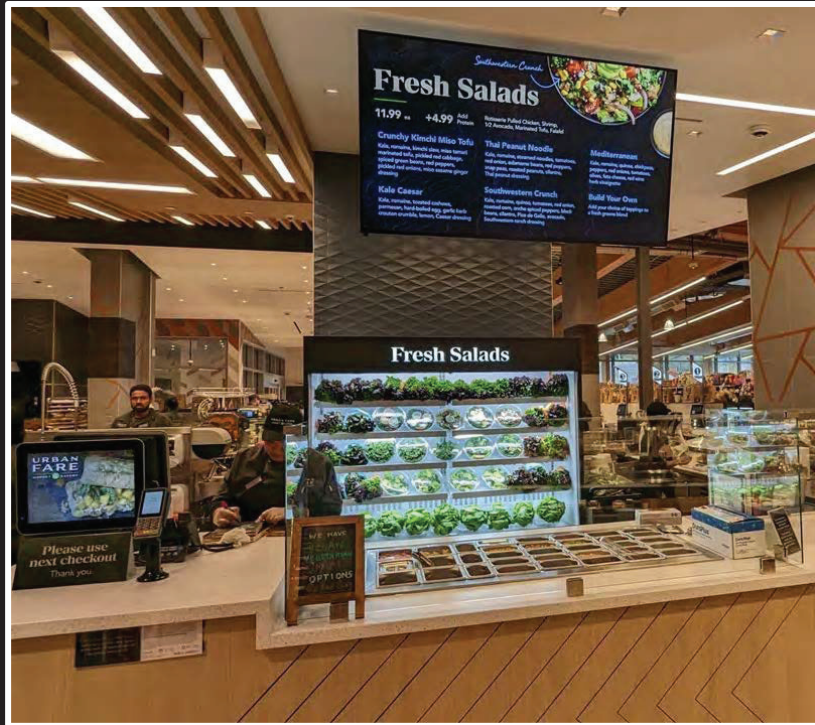
44.7% 2022 share of \$



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

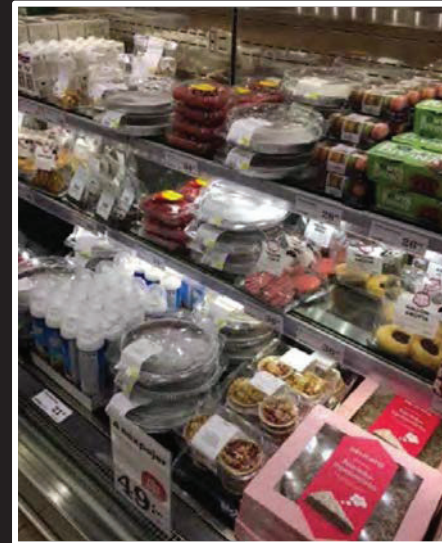
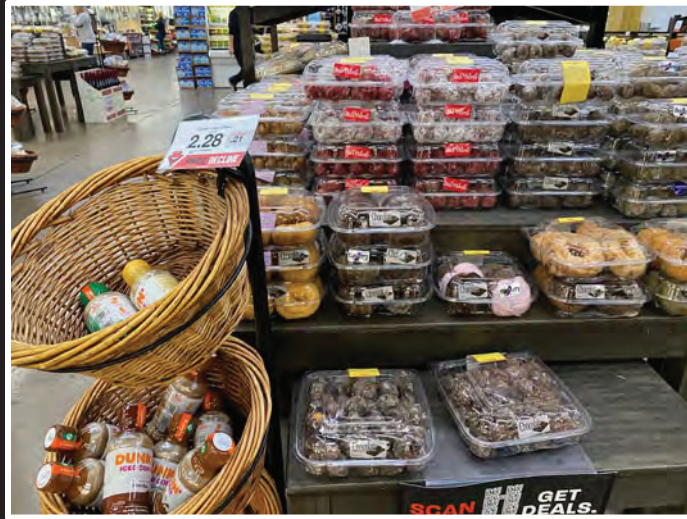


In packaged, the *when* is 2-3x as important as the *where*



Reasons to splurge a little: Convenience/save time



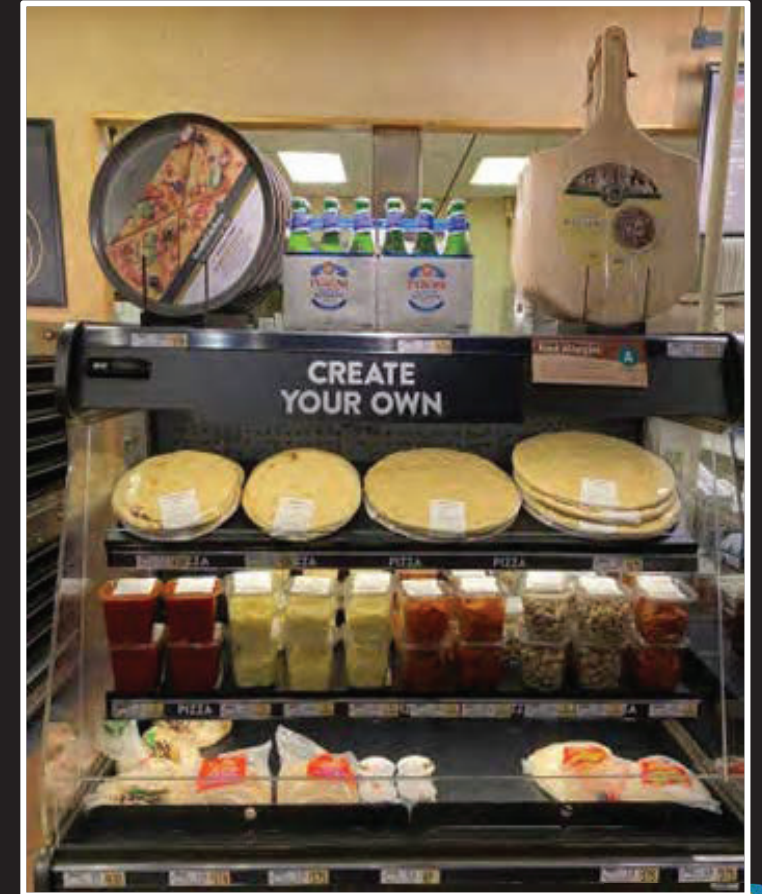


Reasons to splurge a little: Convenience/save time



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Reasons to splurge a little: Convenience/save time



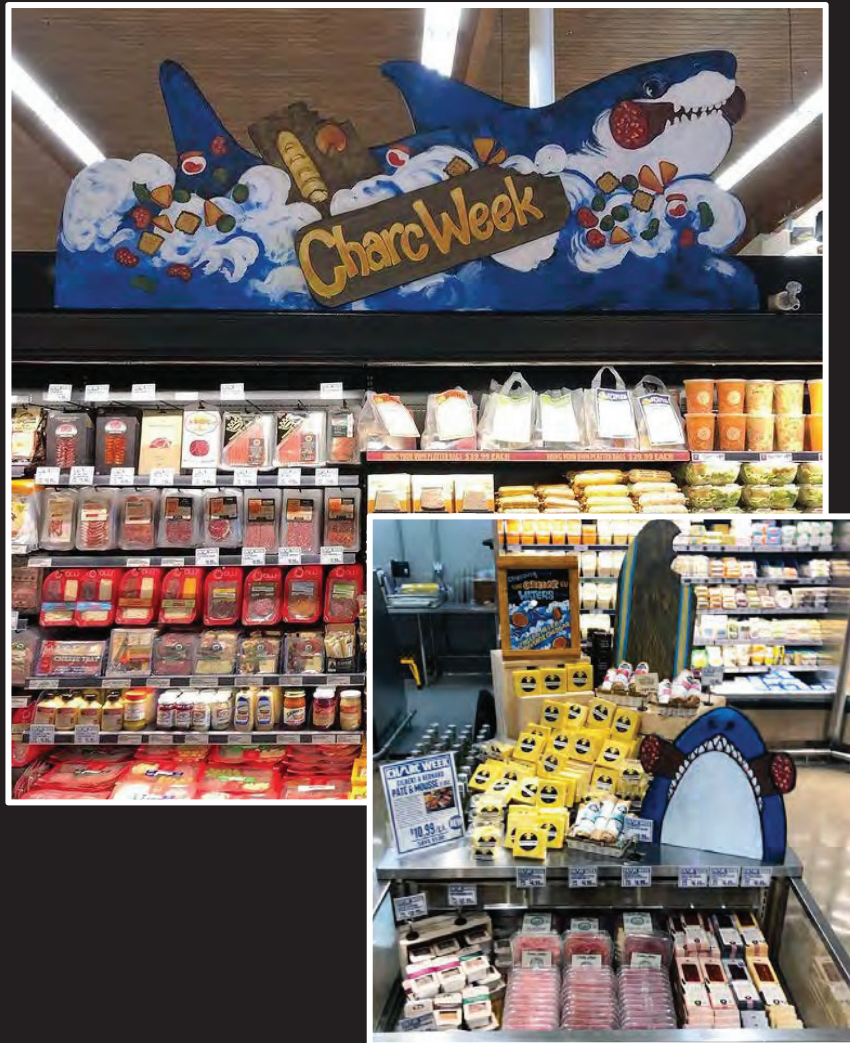
At the same time, dwelling = selling



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Reasons to splurge a little: better-for-me



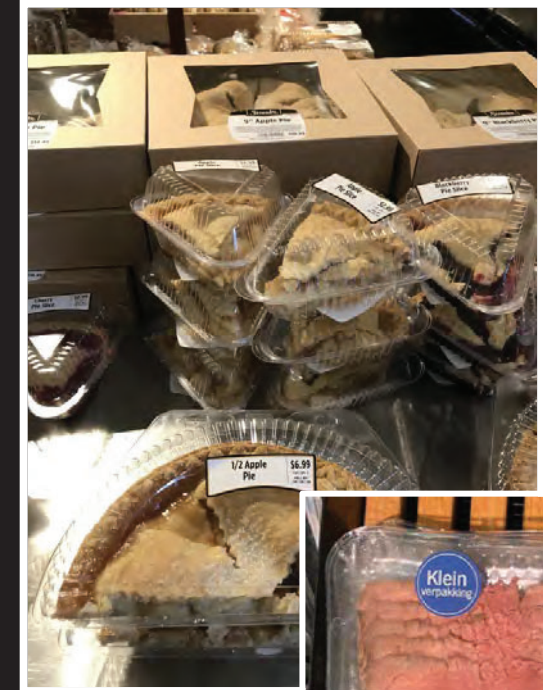
At the same time...

78%

Of consumers believe physical health and emotional wellbeing are interwoven



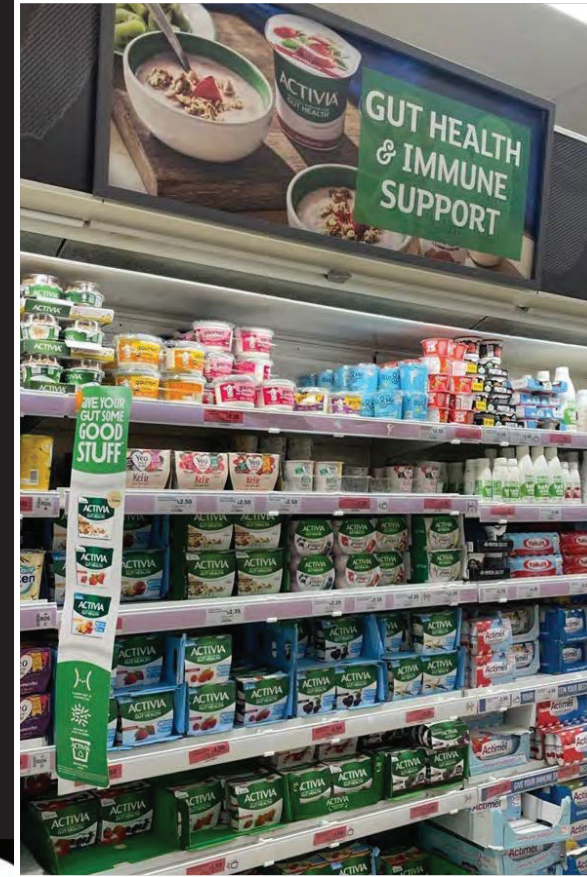
Reasons to splurge a little: better-for-me



Portion sizes
help drive
permissibility



Innovate and communicate around better-for-me, the competition certainly is...



Reasons to splurge a little: Replacing a restaurant meal



63% Beverages

55% Dessert

52% Sides (rice, pasta, potatoes, etc.)

45% Fruit/vegetables

44% Extra toppings (pizza, salad, sandwiches)

43% Bread/rolls

43% Chips/crackers/snacks

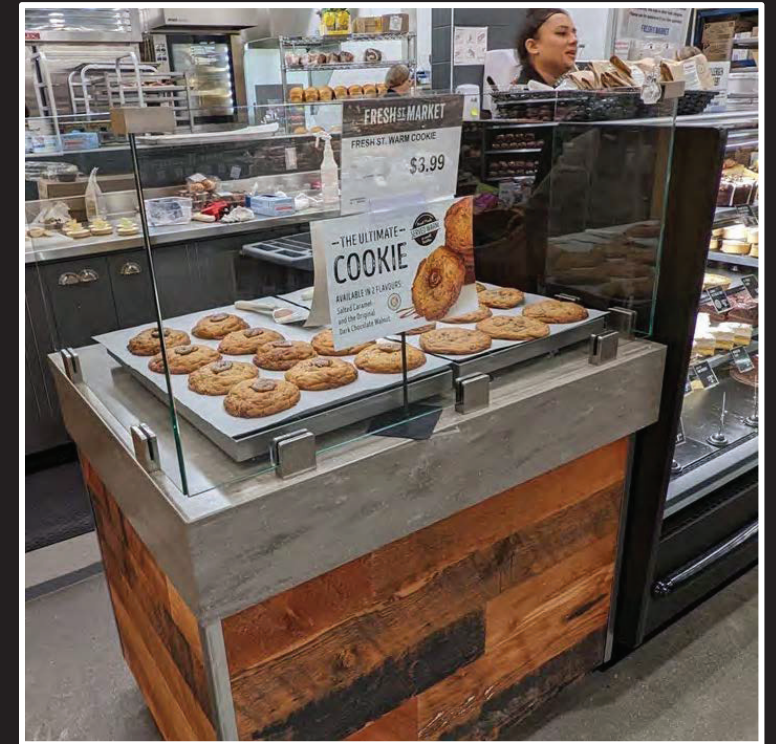
35% Alcohol/beer/wine

Leverage LTOs to create variety and engagement



Follow what's hot in foodservice

For beverages, treats, breakfast, lunch and dinner



Reasons to splurge a little: sustainability and social responsibility



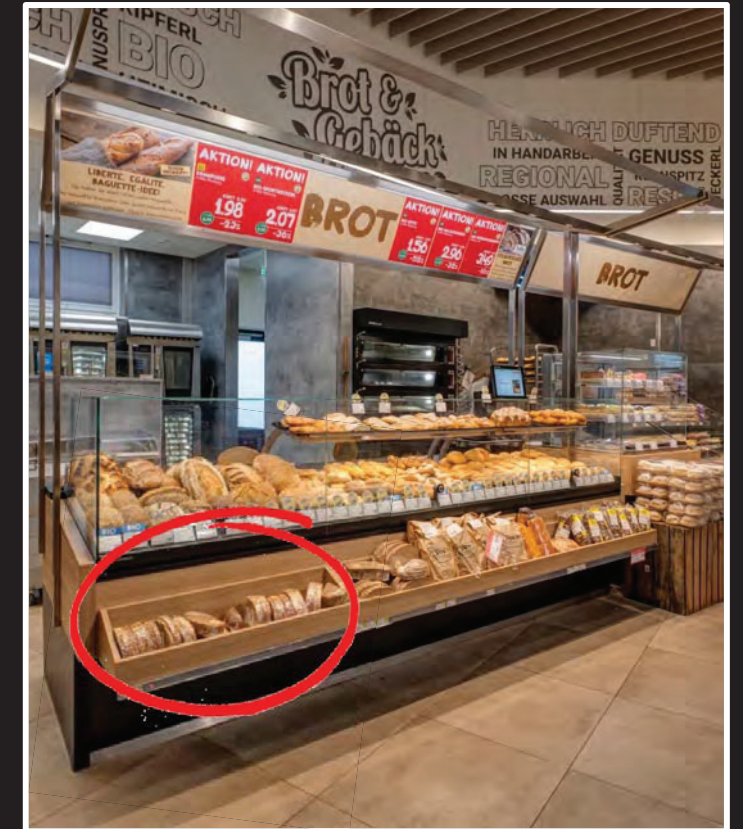
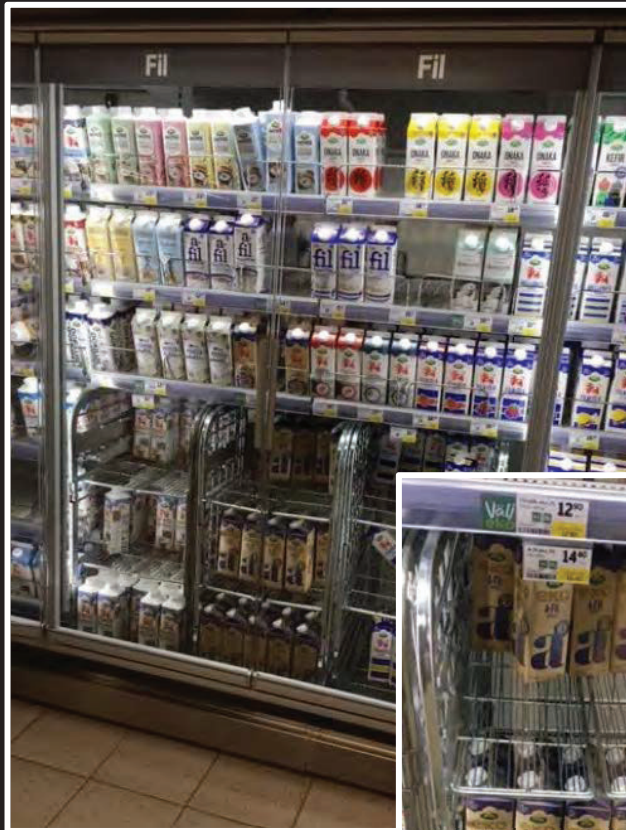
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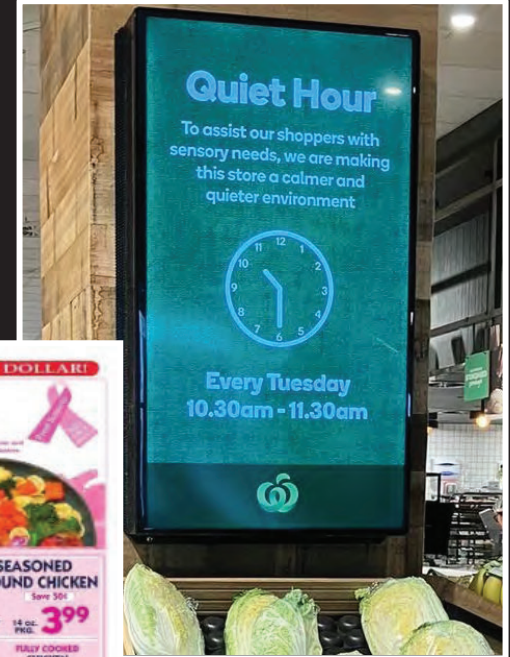
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Questions? *Share your best finds!*

Anne-Marie Roerink

aroerink@210analytics.com

Or find me on **LinkedIn**

