



Consumer Digest – Omnichannel Special Edition

Welcome to the February edition of the Consumer Digest, where we aim to provide relevant, informative and actionable insights around consumer trends. This month, we are doing a deep dive into omnichannel shopper behavior. We'll look at who they are, what's important to them while shopping, and why they choose to shop the way they do. We'll also look at the categories shoppers prefer to shop online vs. in-store. Finally, we'll highlight their ideas on how to improve the online shopping experience.

NOTE: the base used for this study included only those who have shopped Kroger online for pickup and/or delivery and in-store in the latest 52 weeks.

Who is the omnichannel shopper?

The omnichannel shopper is someone who buys their grocery and household needs both online and in-store. They are also called hybrid shoppers.

THE OMNICHANNEL SHOPPER IS MORE LIKELY TO BE...

- Millennial (215 Index)
- Have children (178 Index)
- Highly Engaged with Natural & Organic (140 Index)
- High Convenience Seekers (135 Index)
- Larger HHs, 5+ (132 Index)

...than the in-store shopper.

Source 2 – See below



OMNICHANNEL DEFINED BY THE SHOPPER:

What do they expect to be same/similar when shopping the same retailer online & in-store?

49% - I expect everything to be the same

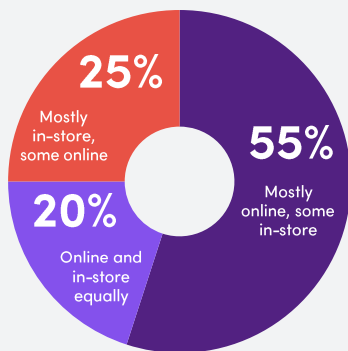
36% - Pricing is the same online & in-store

34% - Coupons available are the same

Q: When you're thinking about shopping at the same retailer both in-store and online, which of the following do you expect to be the same? n=400



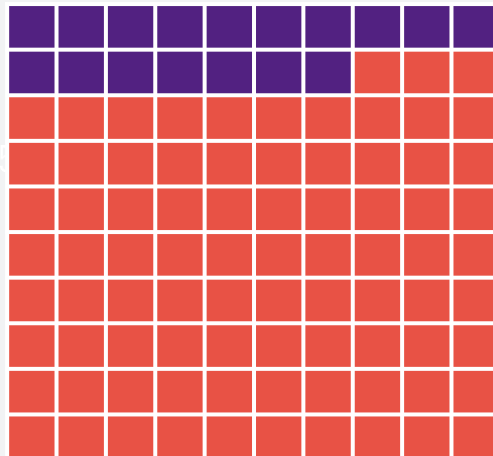
SAY – 55% of omnichannel shoppers say they shop mostly online, and some in-store.



Q: Which of the following best describes how you shop for grocery and household items? n=400



DO – Omni-shoppers still make 83% of their trips in-store



17% of Trips are Pickup/Delivery



83% of Trips are In-store

Source 2 – See below



SOURCES: ¹ 84.51° Real Time Insights Survey, February 2025. Base: n=400 who shopped Kroger online (pickup and/or delivery) and in-store in latest 52 weeks. Note: This base is different than our typical monthly survey. ² 84.51° Stratam. Total Store. 52 weeks ending 2/1/2025. 104-week Continuous Panel, Omni Shoppers.

Reasons omnichannel shoppers choose to buy online and in-store...

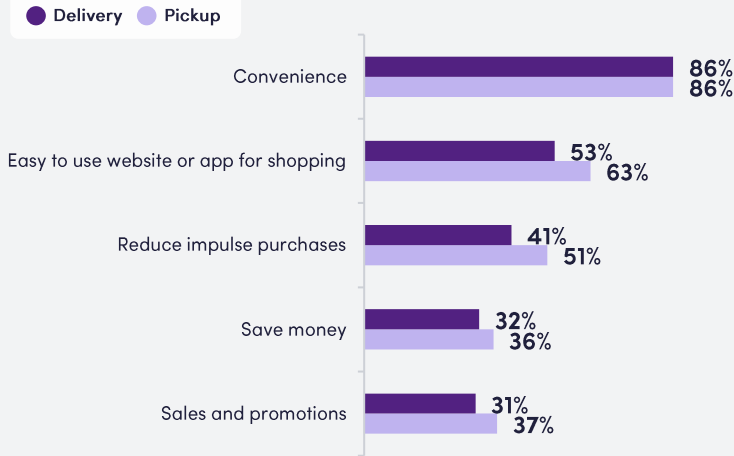


Overwhelmingly, omnichannel shoppers use pickup and delivery for **convenience**, with **86%** citing it as the reason they shop those methods.



Top 5 reasons omnichannel shoppers shop in-store are more varied and are more **merchandising** related.

Why do they shop online for Pickup or Delivery?



Q: Why do you shop 'online for pick-up' for your groceries and household items? n=316
Q: Why do you shop 'online for delivery' for your groceries and household items? n=199



Why do they shop In-Store?



Q: Why do you shop 'in-store' for your groceries and household items? n=321



While they choose to shop pickup & delivery primarily for convenience, omnichannel shoppers also put heavy emphasis on Price/Savings when shopping online:

Savings features & the ability to build a cart throughout the week are among omnichannel shoppers' favorite features when shopping online

Favorite features of online grocery

1. Digital coupons – **79%**
2. Ability to build a cart throughout the week – **58%**
3. Promotional offers and weekly ads – **57%**
4. Recent purchases and product suggestions – **48%**
5. 'On my way' feature for pickup orders – **46%**
6. Tracking order progress – **43%**



The average online basket is built in **2.2 sessions** per order²

Q: What are your favorite features when it comes to shopping online for grocery and household items? n=400



Better savings, reduced fees, & product selection would encourage omnichannel shoppers to shop more online:

57%

If the price or savings were better online

49%

If there were lower fees for online services (e.g. delivery fees, driver tips, etc.)

36%

If I was confident someone could select the items I want

31%

If I could get a certain product or brand online that I couldn't get in-store

25%

If there was more selection of products

Other reasons include:

- If it was more convenient or would save time (24%)
- If it was easier to find items online (21%)
- If there was faster delivery (18%)
- If the shopping experience was more personalized (13%)

Q: What would encourage you to shop for groceries and household items online more than you currently do? n=400

Preferences for Online vs. In-store



When directly comparing shopping methods, Omnichannel shoppers choose to shop online vs. in-store because it fits their **lifestyle**.



They choose to shop in-store vs. online because in-store shopping helps meet specific item needs and allows them to have **control**.

Top reasons to shop Online vs. In-store

67%

To save time

55%

I can shop from any location any time of day

50%

Ability to stay away from crowds

Q: Why do you choose to shop online rather than in-store for your grocery and household items? n=400



Top reasons to shop In-store vs. Online

47%

If it's a special trip to buy a specific item

42%

I don't want to meet a minimum order requirement

38%

I don't want to worry about getting the wrong item

Q: Why do you choose to shop in-store rather than online for your grocery and household items? n=321



Other reasons include:

- Less stressful to buy online than in-store (**48%**)
- Easier to make sure I don't forget anything (**44%**)
- If there is inclement weather (**39%**)
- It's become my preferred method (**35%**)
- I enjoy the process of shopping online (**35%**)

Other reasons include:

- I don't want to pay extra fees for pickup or delivery (**36%**)
- I prefer to pick my own groceries and household items (**33%**)
- The item I want isn't in stock online (**32%**)
- Some products are easier to find in-store than online (**29%**)

67% of omnichannel shoppers say they choose to shop online over in-store to save time, but when asked about time spent ordering, only **53%** say they spend less time ordering online



Q: How would you describe the time spent by ordering groceries online compared to in-store? n=400

The remaining 19% of omnichannel shoppers spend **more time ordering online**

"Online I tend to browse and read more details about the products than I would at a store. In-store I just want to be in and out using self checkout as quickly as possible."

"I like to compare items on different store websites to find the better price."

"For specific items sometimes you have to really search through the results on the mobile app to find that specific product that you're looking for as in the store I can go right to the aisle or the case and pick up that item"

Q: Please explain in more detail why you feel that process of ordering groceries and household items online takes more time than shopping in store? n=77



The average online basket takes **27 minutes to complete**²



SOURCES: ¹ 84.51° Real Time Insights Survey, February 2025 targeting n=400 who shopped Kroger online for pickup and/or delivery and in-store in latest 52 weeks. ² 84.51° Digital Journey Data, Q4 2024

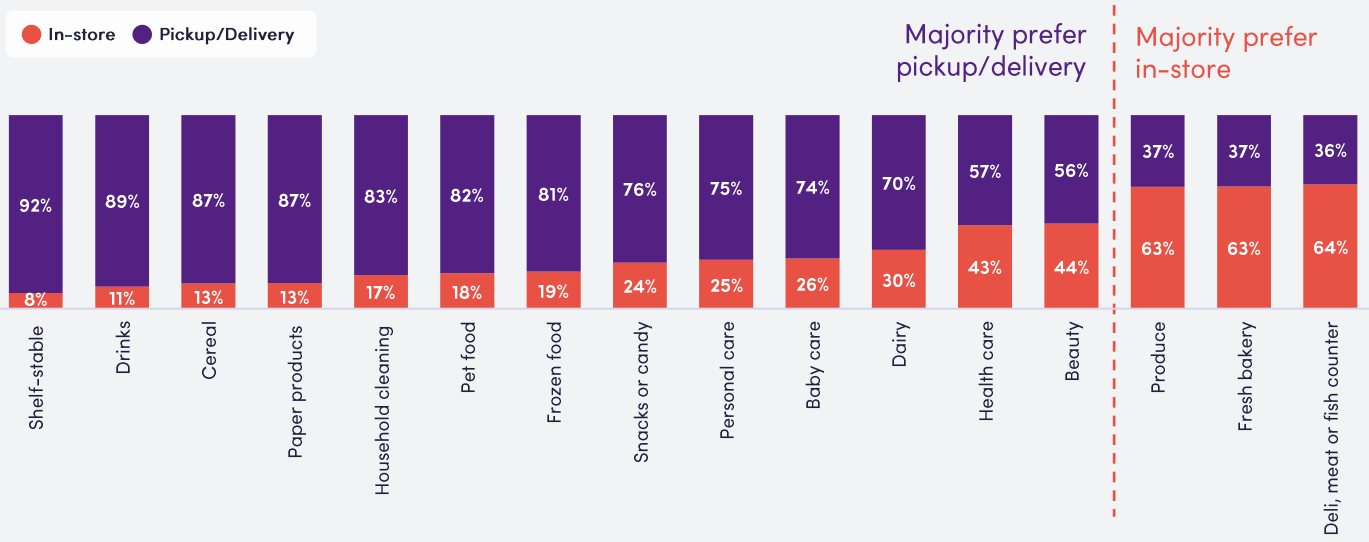
Shopper preferences among categories

Freshly picked categories (Meat, Bakery, Produce) top the types of categories omnichannel shoppers prefer to shop in-store.



They may prefer to shop online for fresh categories, but HHs spend about as much online for these categories as non-fresh categories. **30% of omnichannel shoppers' sales for Meat, Bakery, and Produce are through pickup/delivery.**

Which method do you prefer to shop for these grocery and household items? (each category response is among those who claim to purchase it)



Q: Thinking about different grocery and household items, please select which method you prefer to shop for each item (if applicable). (min base n=108, max base n=399)



Freshness and the ability to personally select are the top reasons people prefer to buy Produce, Bakery, and Deli/Meat In-store. This allows them to both get the quality they want and buy what fits their household size and budget.

Why do you prefer to purchase certain categories in-store:

"I prefer produce to be as fresh and non bruised, damaged as possible. I prefer certain meats, fish to be as lean as possible. Smaller portions, cuts are important to a household of two."

"I prefer shopping in store for things like produce, meats, and deli items to ensure they are fresh and good quality"

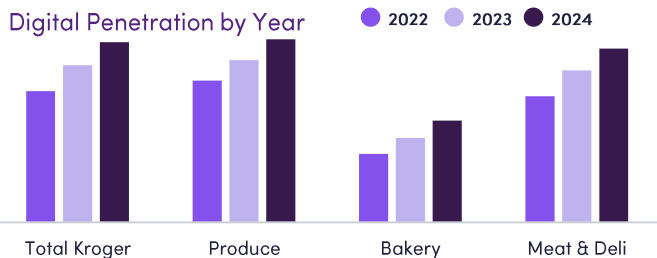
"I prefer to purchase some items in the store because I want to select them myself...I look for good quality and I try to find a price that matches my budget."

"To pick out what I prefer looks, size, etc."

Q: You mentioned that you prefer to purchase certain categories in-store vs. online for delivery or online for pick-up. For what reasons do you prefer to purchase them in-store? n=337



However, **digital penetration is growing in these fresh categories**, so modality preference does not mean shoppers won't purchase online.



Source 2 - See below



What's important when online shopping?



Accuracy and item availability are the most important when shopping online.



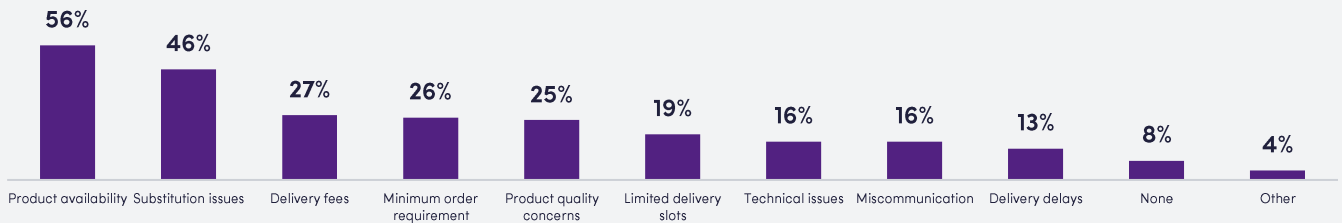
Importance when shopping online for grocery & household items Top 5 (T2B on 7-point scale)

- 93%** Accuracy of my order
- 86%** Availability of items on my list
- 79%** Ability to apply coupons or offers
- 70%** Ability to find items on sale or promotion
- 69%** Availability of time slots

Q: How important are the following when it comes to shopping online for groceries and household items? n=600



Omnichannel shoppers have a variety of frustrations when shopping online, but product availability and substitution issues are among the most stated. **Top frustrations chosen:**



Q: What are your biggest challenges or frustrations when shopping online at Kroger for groceries and household items? n=400

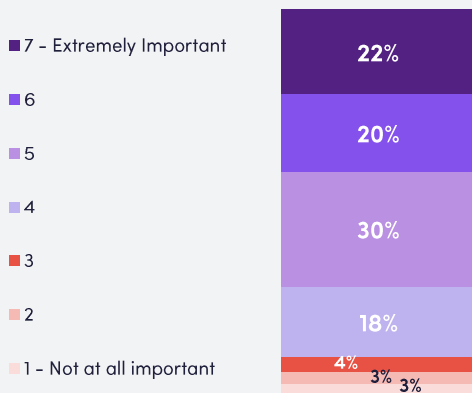


Kroger defines a 'personalized shopping experience' as one that is tailored to your needs, individual preferences, and behaviors to make grocery shopping more efficient, convenient, and enjoyable.

When asked to describe a 'personalized shopping experience' at Kroger, our omnichannel shoppers placed the highest emphasis on personalized product & coupon recommendations based on prior purchases & buying patterns

42% of omnichannel shoppers say a 'personalized shopping experience' is very important (T2B) when shopping online at Kroger

Q: When shopping online at Kroger, how important is a 'personalized shopping experience' to you? (n=400)



Q: You mentioned it's important to have a personalized shopping experience when shopping online at Kroger. How would you describe a 'personalized shopping experience' when shopping at Kroger? n=288 Data labels shown for >4%



However, there are situations where personalization can be a barrier:



"I don't need a lot of bells and whistles. Low prices and good deals are the most important thing."

"Sometimes I miss new items or good alternate items by looking mostly at my previous items."

"Sometimes the suggestion type things are a little creepy.... Like how did they know I was thinking about that...."

"Just because I bought something once doesn't mean I will need it again."

Q: What, if anything, do you dislike about a 'personalized shopping experience' when you shop online at Kroger? n=125



A seamless experience is also expected!

49% of omnichannel shoppers expect everything to be the same when shopping the same retailer both in-store and online - from price & coupons, to product assortment & quality of products

There are some improvement opportunities for online shopping

Omni-shoppers have some ideas on how to enhance and improve shopping online:

Availability/In-stock was the most mentioned improvement theme, many times paired with **substitution recommendations**.

Coupons were also mentioned frequently, where respondents would like **more coupons**, **coupons to be automatically applied**, and to see the **subtotal of the item with the coupon applied vs. at checkout**.

“I wish it was more accurate at the point when I order something to let me know it is **OUT OF STOCK** so I can make a substitution.”

“Rainchecks for out of stock items..”

“I would like to see **real-time in stock items** that holds the item for you for a limited time displayed”.

“Automatically apply coupons that are applicable to what I put in my cart.”

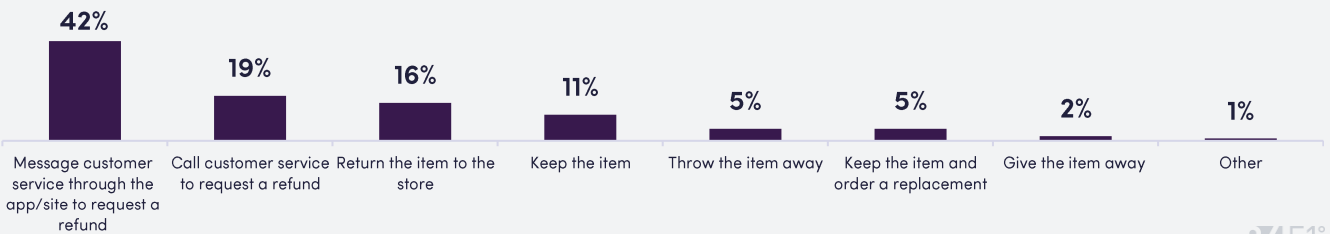
“Notifications when items that I normally buy have a coupon or are on sale”

“More sales/coupons and more transparency on the coupon discounts and sale pricing”

Q: What types of enhancements/improvements/new functions would you like to see with shopping online at Kroger? n=400

While **availability/in-stock is the most mentioned improvement area**, if a grocery item received from their online order is not to their expectation, majority of omni shoppers will take action

42% of shoppers will message customer service to request a refund if an item from their online order is not to their expectation



Q: What are you most likely to do if a grocery item you receive from your online order is not to your expectation? n=400

In fact, $\frac{3}{4}$ of shoppers say they've gone in-store the same day as a Pickup or Delivery order.

Top Reasons for In-store Trips - On the same day as Pickup or Delivery...

50%

I forgot to add something to my online cart

27%

An item I wanted was out of stock

22%

To pick up prescription only item at the in-store pharmacy

Q: On some occasions, shoppers choose to go in-store during the same grocery trip while picking up their online order. If you've done this before, what are the reasons for doing so? n=400

Utilize 84.51° Digital Journey Insights to understand how customers are behaving and building their online baskets to strategically meet shoppers where purchase decisions are being made.

- Provides an **unparalleled view of the digital path to purchase** down to a UPC-level, with ability to filter on specific household segments
- Choose from a variety of **modularized options to meet your needs** including Cart DNA, Path to Purchase, Search, Cart Building, and more!
- Utilize household insights within Digital Journey modules to **win the digital space and inform your media strategy** to effectively reach, acquire and retain shoppers online.

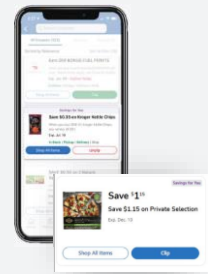


Understand the digital shopper journey to optimize the online experience and activate in the right ways.

Connect with us at insights@8451.com

Leverage Targeted Digital Coupons to create custom tailored digital-only offers that utilize 84.51° personalization sciences to deliver your campaign specific objectives.

- Targeted Digital Coupons **appeal to key audiences**, driving trial of new products, recapturing lapsed households, and re-engaging repeat purchases.
- **Recommended:** Campaign length 4-6 weeks, with a 2-week post-period redemption window.
- **Drive stronger sales uplift with media amplification** and 84.51° Collaborative Cloud: 6.64x aROAS, 0.94x iROAS, +18.31% Sales uplift.

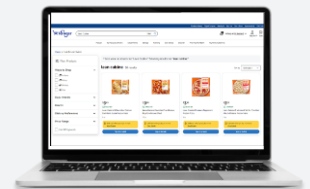


Targeted Digital Coupons are delivered digitally based on custom personalization objectives.

Connect with us at loyalty&incentives@8451.com

Onsite Brand Activations enable advertisers to engage Kroger shoppers with relevant, custom offers and experiences. Strategically own and amplify your brand messaging close to the point of conversion with:

- **Premium Placements:** Support your brand's message with prominent placement on the Kroger homepage, specific department pages, or promotional pages.
- **Brand Shops:** Ideal for annual activations. The curated aisles eliminate endless scroll, improve page load time, and offer a great customer experience.
- **Campaign Pages:** Are uniquely equipped to decrease the number of clicks for a customer to add-to-cart or to clip a coupon. Customize your campaign page with turnkey experiences and content modules.



Showcase and promote your brand within the ecommerce environment

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