



Consumer Digest - The Grocery Experience: Today & Tomorrow

Welcome to the October Consumer Digest, a monthly newsletter where we provide relevant, informative, and actionable insights around consumer trends. This month, we'll focus on **the grocery experience**, examining current challenges around planning for shopping, meal preparation and how it can be improved. We'll explore innovation including how consumers use technology for grocery planning and shopping, and their vision for the future of grocery shopping. Lastly, we'll discuss Thanksgiving. *Note that our trended topics are on page 6.*

How shoppers believe grocery shopping will evolve

Customers predict an evolution in grocery shopping over the next 2-3 years, primarily driven by technological advancements.

A common theme is an increased reliance on digital channels, with many expecting to use smartphones, apps, and online platforms more frequently for both shopping and meal planning.

Using technology is believed to contribute to a more automated shopping experience, including smart carts to facilitate faster checkouts and AI integration which suggests grocery items or recipes.

Cost-conscious behavior is another recurring theme, as many customers anticipate shopping for deals, using more coupons, and shifting towards bulk purchasing and generic brands due to rising prices. Some responses also suggest a rise in online ordering and grocery delivery services, hinting at a potential decline in traditional in-store shopping.

Health-conscious shopping was mentioned for seeking more healthy, organic, and vegan options.

Overall, customers foresee a more **personalized, efficient, and technology-driven approach to grocery shopping** while also being mindful of their budgets.

Verbatims on how shoppers envision grocery shopping will change in the next 2-3 years

We will get digitized shopping carts

More attention to healthy ingredients

I think there will be innovation around AI and meal and recipe suggestion. I think grocery stores will try to implement AI to help customers buy ingredients from a recipe they create using AI.

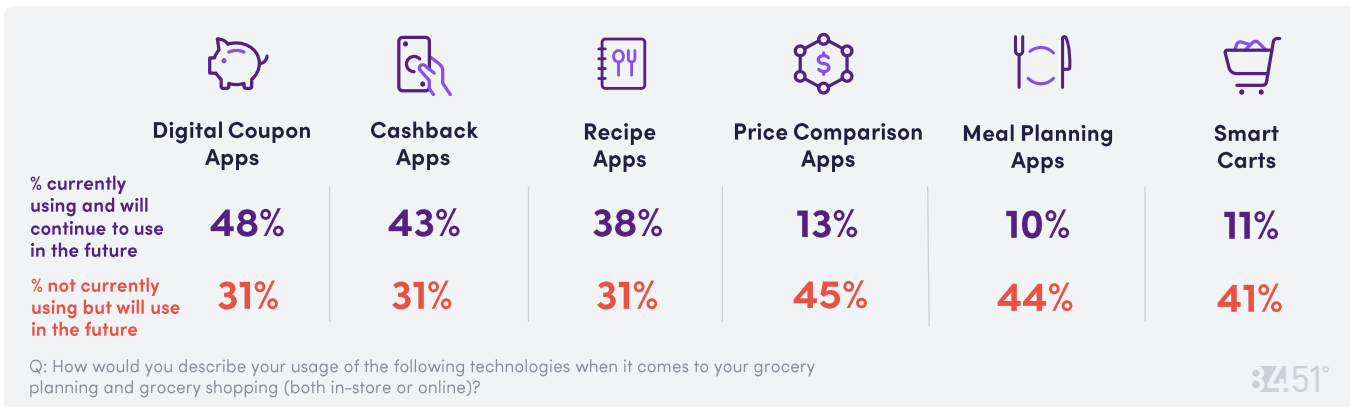
I plan to use more coupons to help save more money

Finding new plant-based options

That we won't actually go into stores. Everything will be picked online and brought out to your car. Brick and mortars will be a thing of the past.



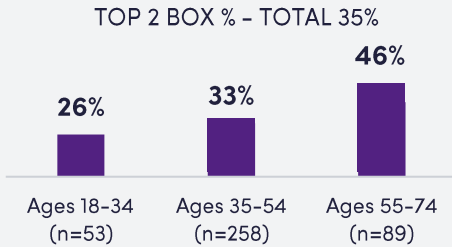
From app to aisle: Shoppers are using tech-savvy tools



Grocery planning & meal prepping: How to make it “easy”

TODAY

Grocery shopping planning is easier for older than younger shoppers.



Q: How would you rate the ease of planning for grocery shopping?

TOMORROW

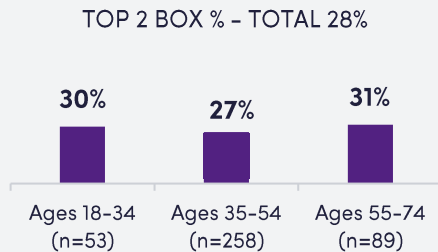
How **grocery planning** could be made easier:

- 1 Improving online shopping list functionality, including real-time inventory updates.
- 2 Providing a broad range of digital coupons, with a preference for automatic application.
- 3 Offering recipe suggestions linked to shopping lists, catering to diverse dietary preferences.
- 4 Ensuring accurate pricing and stock information on apps and websites.
- 5 Maintaining consistent store layouts and clear signage to improve the ease of locating products.

Q: What improvements or tools could a brand or grocery retailer offer to make planning for grocery shopping easier?



The ease of **meal prepping and cooking** is somewhat consistent across age cohorts.



Q: How would you rate the ease of meal prepping or cooking?

How **meal prepping and cooking** could be made easier:

- 1 Increasing the variety and affordability of meal kits and grab & go options, catering to different HH sizes and dietary restrictions.
- 2 Providing recipe ideas or cards conveniently placed in-store and offering digital recipes tailored to customers' purchases and preferences.
- 3 Offering better deals on prepared foods and meal kits.
- 4 Selling competitively priced pre-cut or prepared ingredients to save customer's time.
- 5 Enhancing the selection of healthier and dietary-specific ready-made meals to meet the needs of various customers.

Q: What improvements or tools could a brand or a grocery retailer offer to make meal prepping or cooking meals easier?



This editorial is developed by the same consumer research and insights experts who provide consultation to help grow your business. Powered by cutting-edge science, we utilize first-party retail data from over 62 million U.S. households to fuel a more customer-centric journey – so you can meet shoppers where they are with what they need.



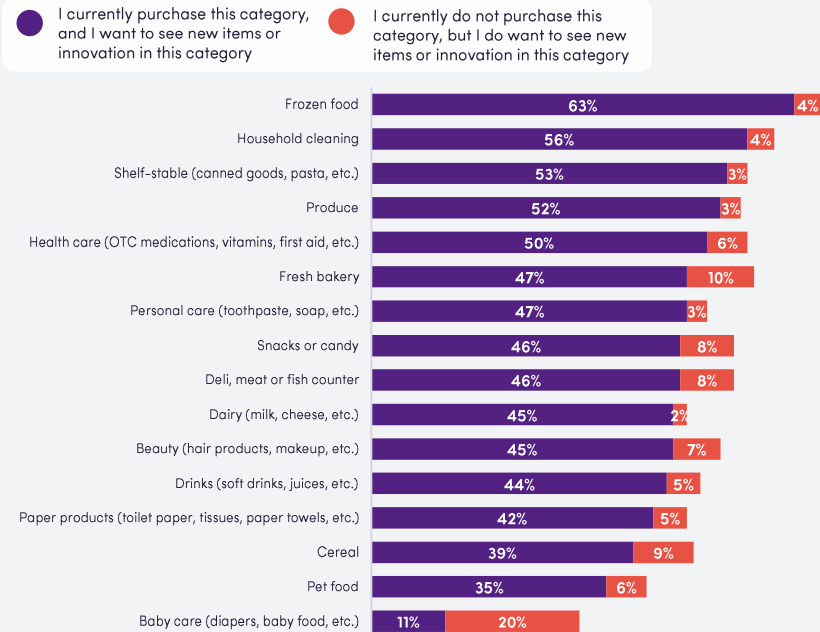
This analytics solution combines rich customer behavior insights with retail performance measures to deliver science-powered insights that drive results.

84.51° Real Time Insights:

This opt-in survey measures the attitudes, perceptions and stated behaviors of 400 people verified to have shopped at a Kroger banner (over 20 grocery retailers) in the past 3 months.

Next-gen groceries: Shoppers are seeking new and innovative products for “tomorrow”

Shoppers seek innovation across many categories, with frozen food, household cleaning and shelf-stable topping the list



Q: Please select whether you do want or do not want to see new items or innovation in each of the categories.

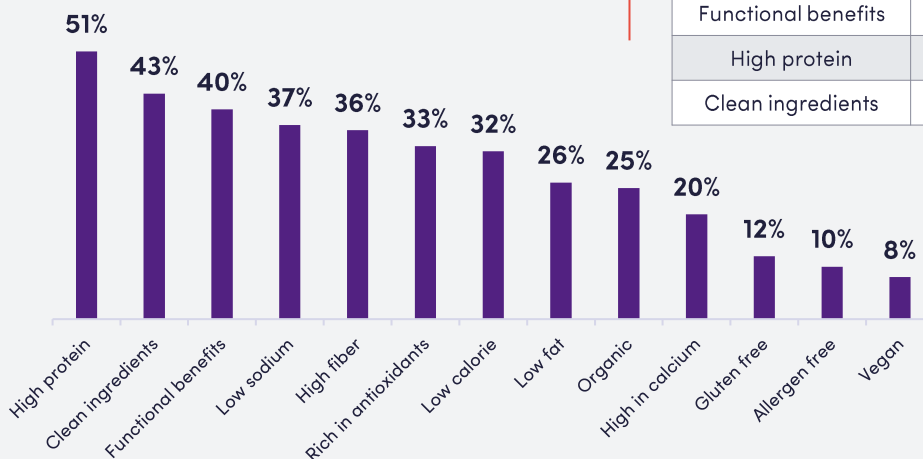
*Note: Baby care and Pet food categories are lower on the list given that not all shoppers are candidates for these products.



Top five categories where shoppers seek innovation among non-category shoppers

- 20%** Baby care
- 10%** Fresh bakery
- 9%** Cereal
- 8%** Snacks/Candy
- 8%** Deli, meat, fish counter

Shoppers seek new and innovative products with nutritional benefits, with some differences by age cohort



Top 3 nutritional benefits sought after by age group

Ages 18-34	Ages 35-54	Ages 55-74
Functional benefits	High protein	High protein
High protein	Clean ingredients	Low sodium
Clean ingredients	Functional benefits	Functional benefits

More females than males are seeking innovative items with low fat (30% vs 19%), clean ingredients (48% vs 35%) and organic (29% vs 19%).

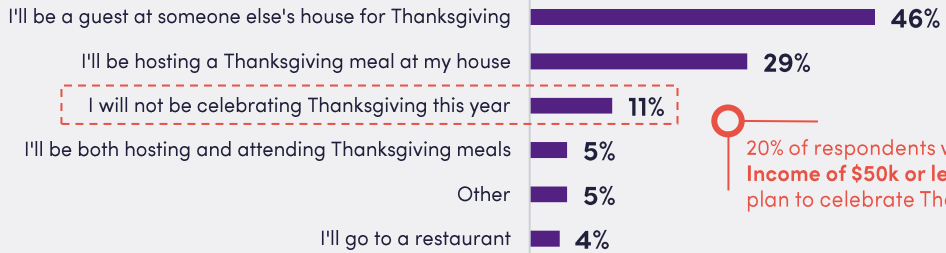
Q: Which of the following nutritional benefits, if any, would you like new or innovative products? Total base n=400



THANKSGIVING 2024 – TURKEYS & TIME TOGETHER!

Thanksgiving Plans: With most customers celebrating Thanksgiving in their own home, as a guest or going to a restaurant, turkey and tradition are alive and well! Only 11% don't plan to celebrate Thanksgiving this year.

Plans for Thanksgiving



20% of respondents with an **Income of \$50k or less** do not plan to celebrate Thanksgiving.

Q: Which of the following best describes your plans for Thanksgiving this year? Total base n=400



Shopping habits the week of Thanksgiving

● In-store ● Pickup & Delivery

TOTAL KROGER \$ SALES, NOVEMBER 2023



Source: 84.51° Stratum, Modality: Product by Time Report, November 2023

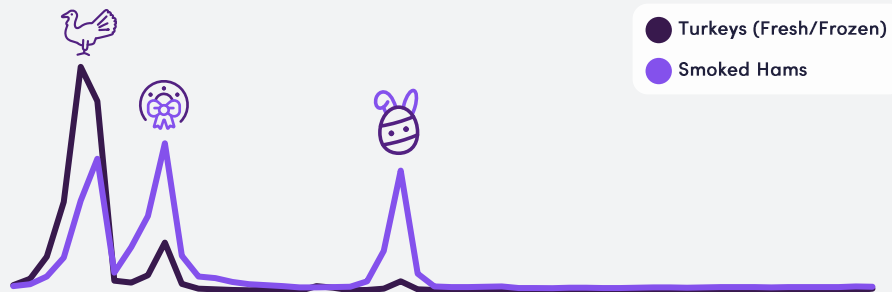


Thanksgiving Main Dish

81% Turkey

- 7% – Ham
- 4% – Other
- 3% – Chicken
- 2% – Meat alternative
- 1% – Pork, Lasagna

Say vs. Do: Although most shoppers will purchase a Turkey for Thanksgiving, Hams are a closer 'second choice' than stated. Annually, Hams exceed Turkey volume via Christmas and Easter.

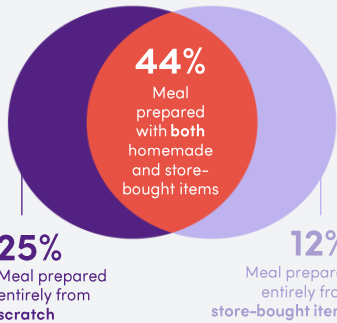


Source: 84.51° Stratum, KPI: Product by Time Report, Latest 52W Ending 10-12-2024



Thanksgiving Meals: 44% of shoppers will prepare their Thanksgiving meals using a mix of both homemade and store-bought items. Turkey rules as the main dish for 81% of shoppers.

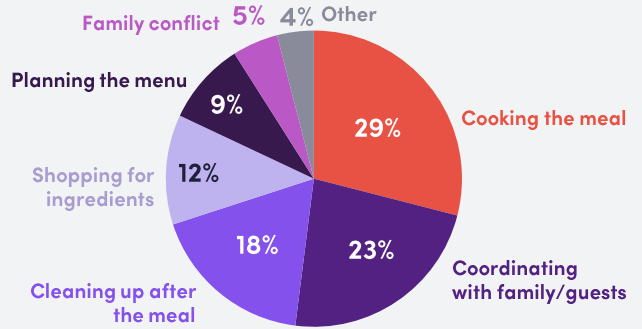
What type of Thanksgiving meal do shoppers plan to have this year?



- 18%** A potluck where each guest brings a dish
- 2%** Other
- 1%** A catered meal

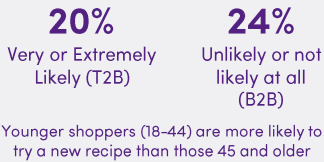
Q: What type of Thanksgiving meal do you plan on having this year? Kroger shoppers planning to have a Thanksgiving meal at home/guest's house, n=339

Most challenging part of preparing for Thanksgiving



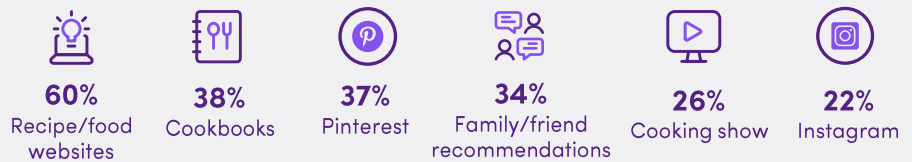
Q: What's the most challenging part of preparing for Thanksgiving? Kroger shoppers planning to celebrate Thanksgiving, n=356

Likelihood to try a new recipe this Thanksgiving



Q: How likely are you to try a new recipe this Thanksgiving? Younger shoppers (18-44) are more likely to try a new recipe than those 45 and older. Kroger shoppers planning to celebrate Thanksgiving, n=356

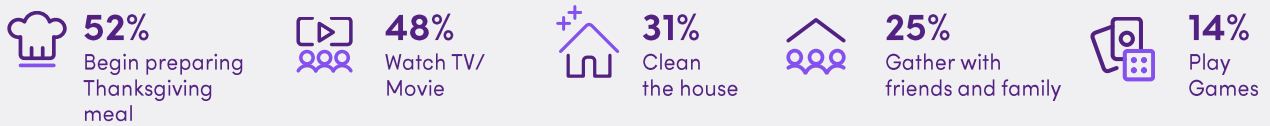
Those who are planning to try a new recipe will seek Inspiration from these sources



Q: You mentioned that you're likely planning to try a new recipe(s) this Thanksgiving. Where do you plan to seek out inspiration for the new recipe(s)? Kroger shoppers likely to try a new recipe this Thanksgiving, n=136

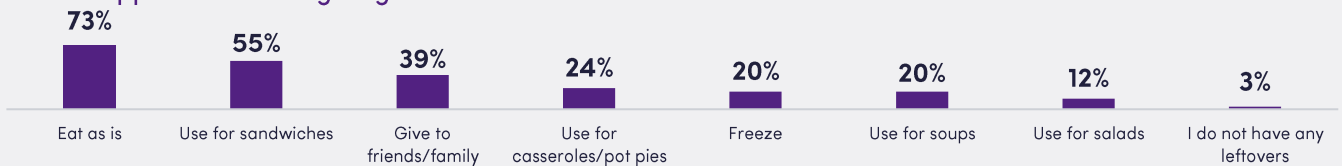
The night before Thanksgiving...

Only 6% of shoppers plan to go out to a bar or restaurant



Q: What do you plan to do, if anything, the evening before Thanksgiving? Kroger shoppers planning to celebrate Thanksgiving, n=356

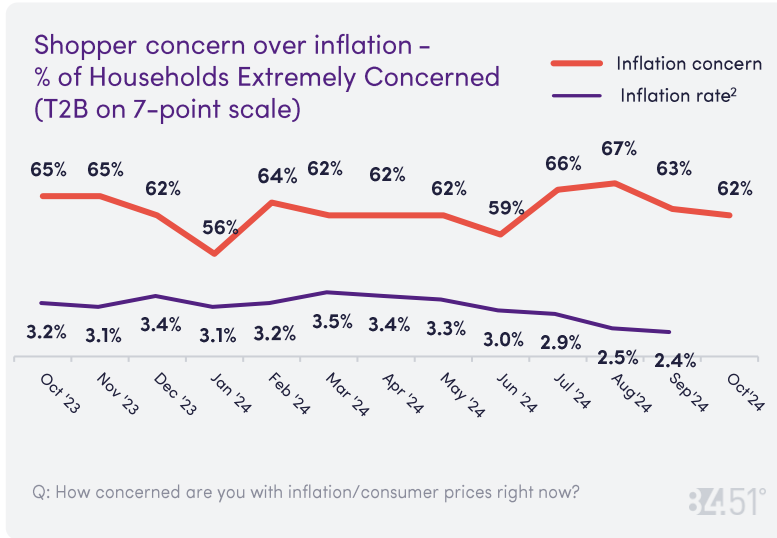
What happens to Thanksgiving leftovers?



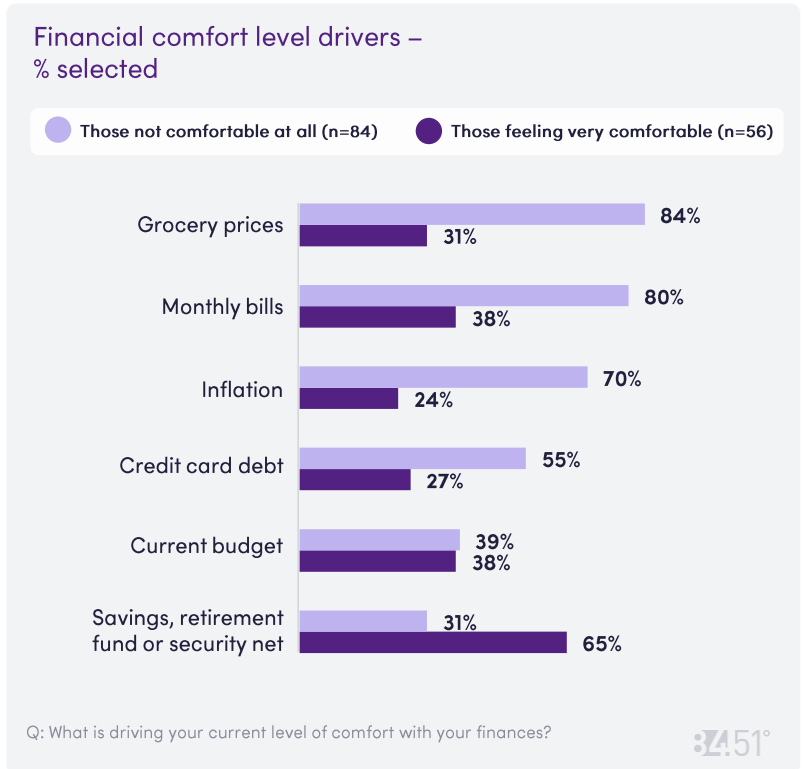
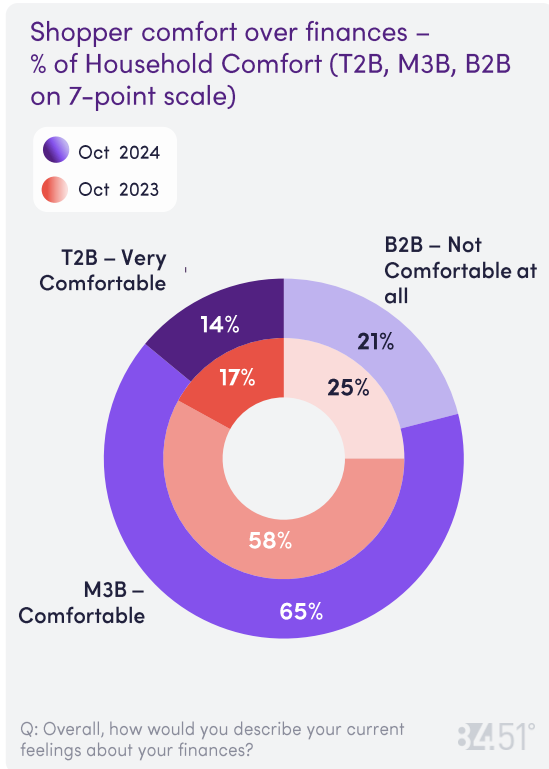
Q: What do you do with any leftovers you have from your Thanksgiving meal(s)? Kroger shoppers planning to celebrate Thanksgiving, n=356

TRENDED TOPICS

Shopper concern over inflation and actions they are taking as a result to price increases



Comfort over finances and what is driving those comfort levels



84.51° Insights

Inform your holiday strategy with **84.51° In-Queries** and execute high-quality custom research to understand real shoppers' engagement with your products and categories. With this solution, you can:

- Reach real people that make up your key target groups, and ask them relevant, custom questions to understand their attitudes and perceptions
- Seamlessly define your sample group and gauge feasibility
- Get results as fast as 1 day after kicking off research to identify strengths and opportunities going into key selling time frames
- **NEW:** Utilize AI Assistant in 84.51° In-Queries to enable even faster insights to activation, with support in both creating and distilling questionnaires



Get a pulse on the customer leading up to the holidays to tailor activations and win with shoppers

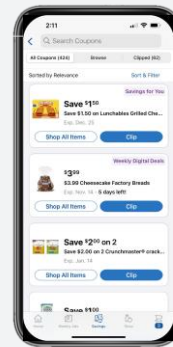
Connect with us at insights@8451.com

84.51° Loyalty Marketing

Targeted Digital Coupons (TDCs) provide a personalized offer to households aligned to campaign objectives using 84.51° personalized sciences. TDCs result in a +2x redemption rate compared to general pool coupons.

- **Timelines:** 3-week lead time, 2-week post-period length.
- **Offer Types:** Money off, Free Product, BOGO/Buy X Get X, Buy X Get Y \$ Off, and Buy X Get Y Free.
- **Amplification:** 1st priority (Targeted Onsite Ad, Product Listing Ad, Push notification, Email module), 2nd priority (Offsite: Display, Online video, Social, Audio).

Connect with us at loyalty@incentives@8451.com



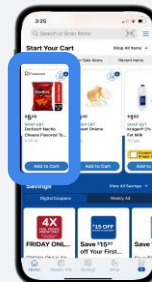
Find TDCs today with the "Savings for You" flag



Reach your audience this Thanksgiving and Winter Holidays through Kroger.com and the mobile app by leveraging Product Listing Ads and Targeted Onsite Ads.

- Kroger.com Ad Performance: +14.6% increase in impressions served, +70.2% increase in clicks, +55.9% increase in total sales.
- Product Listing Ads are a pay-per-click solution that increase brand visibility in search during key traffic window.
- Targeted Onsite Ads are pay-per-view (CPM based) solution that drive brand awareness in complimentary categories with new households.

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Product Listing Ads



Targeted Onsite Ads

Insight Driven Activation

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