

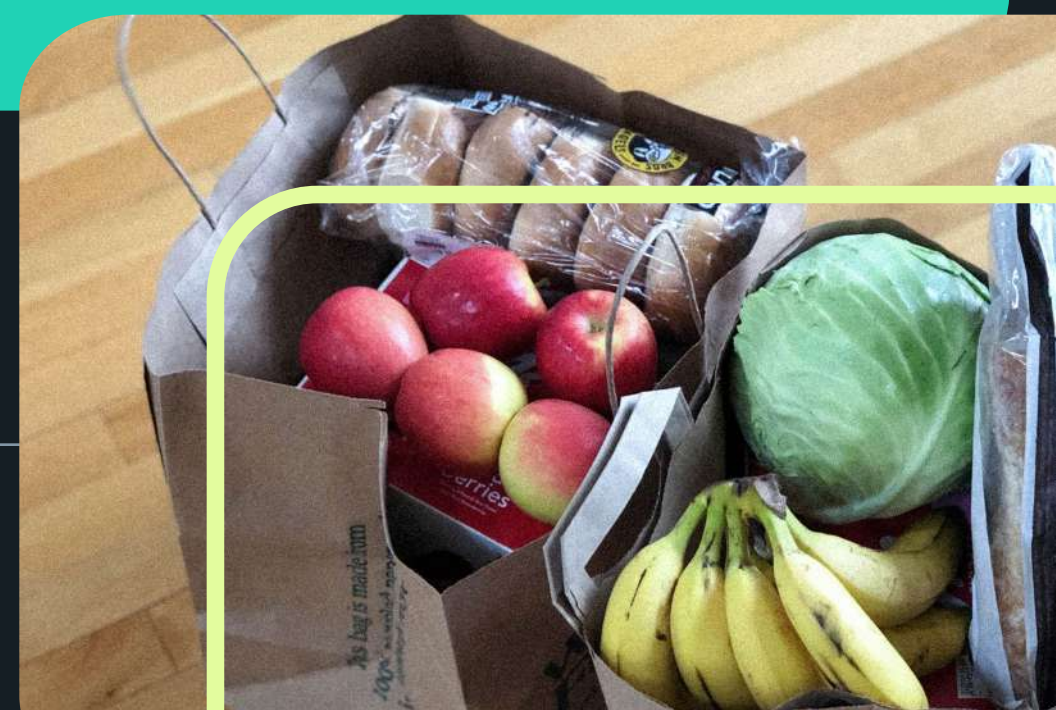


# The Lean Grocery Insights Brief

VOLUME 1 | MAR 2022



Timely Consumer Insights for Marketers





# Overview

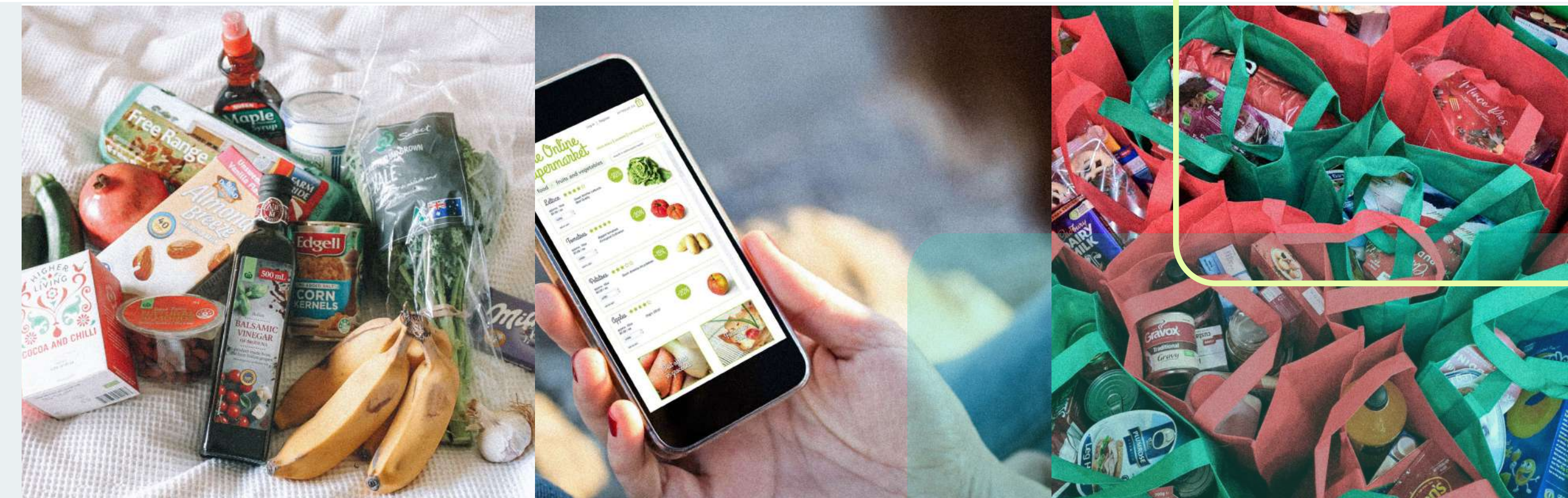
Grocery shoppers spend an average of 20 minutes in stores and travel even further to grocery store locations than they did in 2019. What's more, brick-and-mortar sales will make up over 90% of the \$1.269 trillion in U.S. grocery sales this year.<sup>1</sup> The steady rate of offline visitation and in-store sales reinforces the importance of ad campaigns focused on attracting new customers and embedding stronger customer loyalty.

## Grocery Shopping is Starting to Look A Lot Like Retail Shopping

Although most of the revenue growth is happening in-store for grocery brands, the long-lasting impacts of the pandemic coupled with increased competition from newcomers to the vertical (such as Amazon) is shifting the grocery store landscape the same way it's shifting in retail. These changes have led to accelerated digital shopping behaviors such as online ordering, curbside pick-up, and home delivery. The emergence of digital grocery buyers creates strong revenue opportunities for grocery brands. Specifically, those that have built an infrastructure to support hybrid shopping experiences. The average annual spend per US digital grocery buyer will increase from \$991.99 in 2022 to \$1,524.84 in 2025.<sup>1</sup>

## Convenience, Selection, and Savings Can Drive High Levels of Brand Loyalty

While the shopping behaviors and preferences for in-store and digital shoppers vary, both segments put a high value on convenience, selection, and savings. In this issue of the Lean, Grocery Volume 1, we examine which grocery brands have successfully sustained a high level of brand loyalty and we also take a look at key trends within the grocery vertical that drive sales. Ultimately, you will find out which audiences are generating the most foot traffic and how marketers can use intent data in 2022 to reach and engage them.



## About The Lean

Between professional careers and personal lives, we understand that there is very little time left to read drawn out whitepapers. This is why we created The Lean -- meaningful marketing insights that help brands make strategic decisions about their marketing campaigns. Specifically designed for easy consumption and quick reference, each issue of The Lean applies offline behavioral data filters and other industry sources to current consumer trends to help understand the impact they are having on business outcomes such as visits and sales. GroundTruth data is sourced from the 30 billion annual global visits observed on its platform. All data is anonymized and aggregated.

<sup>1</sup> eMarketer: US Grocery Features Benchmarks 2022



# Grocery Highlights

- 1 Brick-and-mortar grocery sales will make up over 90% of the \$1.269 trillion in US grocery sales that will occur this year



- 2 Grocery store visits surge ahead of big gathering holidays such as Thanksgiving, Christmas and the Super Bowl

3

Virus variants, winter weather, and out of stock issues all play a role in shoppers making more trips and traveling further for their groceries



4

Grocery stores bring in a different crowd on the weekend versus the week-day, but certain audiences need to buy groceries no matter the day

5

The competition is fierce across different regions among local and national grocers





# Grocery Foot Traffic Snapshot

Grocery store visits surge ahead of big gathering holidays such as Thanksgiving, Christmas and the Super Bowl.

## GROCERY STORE FOOT TRAFFIC

Nov. '21 - Feb. '22



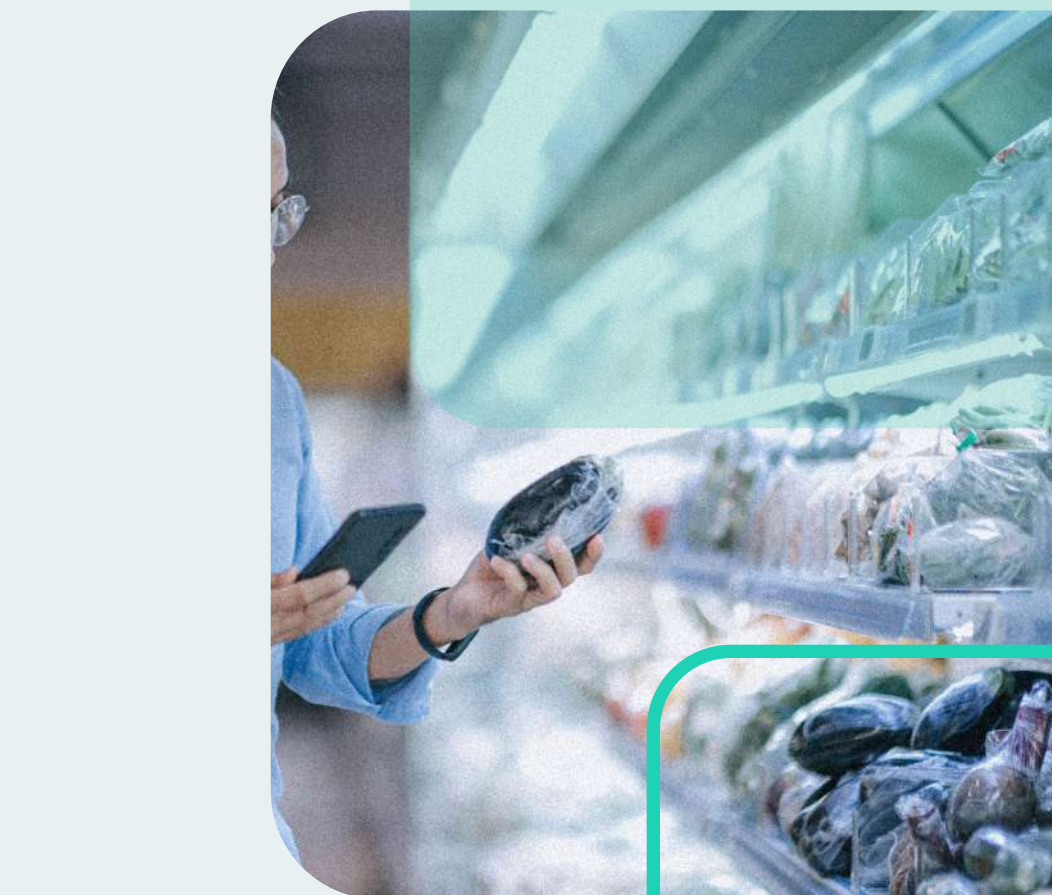
Foot traffic to grocery stores was up **54%** before Thanksgiving

Brick-and-mortar grocery sales will make up over **90% of the \$1.269 trillion** in U.S. grocery sales that will occur this year<sup>2</sup>



Foot traffic to grocery stores was up **50%** on Super Bowl Sunday

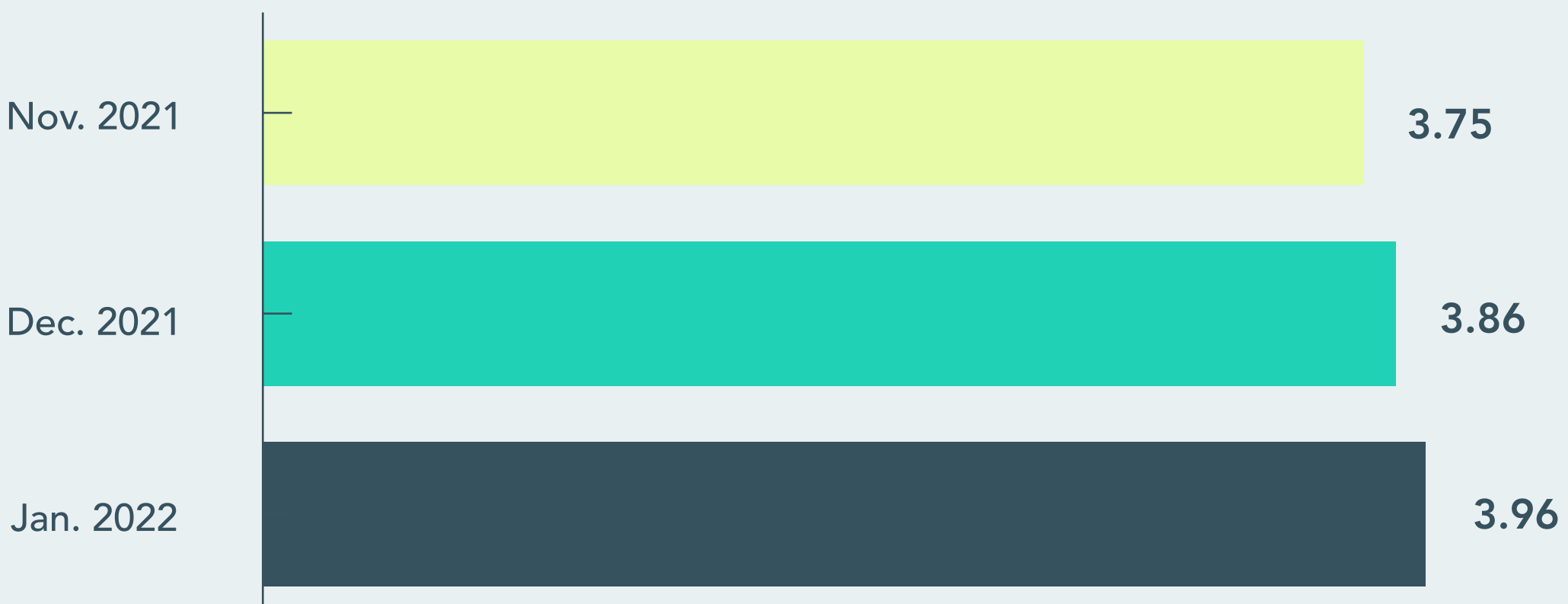
<sup>2</sup>eMarketer



# Shoppers are Making More Trips and Traveling Further for Their Groceries

Virus variants, winter weather and stock issues all played a role in changing traditional shopping behaviors.

AVERAGE # OF GROCERY VISITS  
PER MONTH BY SHOPPERS



## Certain grocery items are worth traveling for

In 2021, shoppers traveled an average of **6.3 more miles** to get to a grocery store than in 2019.

## Shoppers take quicker trips more frequently

Shoppers spend an average of **20.5 minutes** in the grocery store.



# Grocery Store Audiences

The weekend brings in a different crowd compared to the weekday, but there are various audiences who visit grocery stores no matter the day of the week.

WEEKDAY AUDIENCES	WEEKEND AUDIENCES	BOTH
Commuters	Leisure Travelers	Working Moms
Business Travelers	Cyclists	Stay at Home Moms
Pharmacy Regulars	Park Lovers	Dads
Big Box Shoppers	Millennial Parents	Coffee Lovers
Discount Shoppers	Outdoor Enthusiasts	Young Professionals
Baby Boomers	Frequent Bank Customers	Millennials

**■ PHARMACY REGULARS**

Supermarket pharmacies are set to benefit from the growing connection between food and medicine

**■ WORKING MOMS + DADS**

Moms & Dads alike shop for groceries throughout the week

**■ COFFEE LOVERS**

Customers like to sip as they shop



## Curbside Audiences are Growing

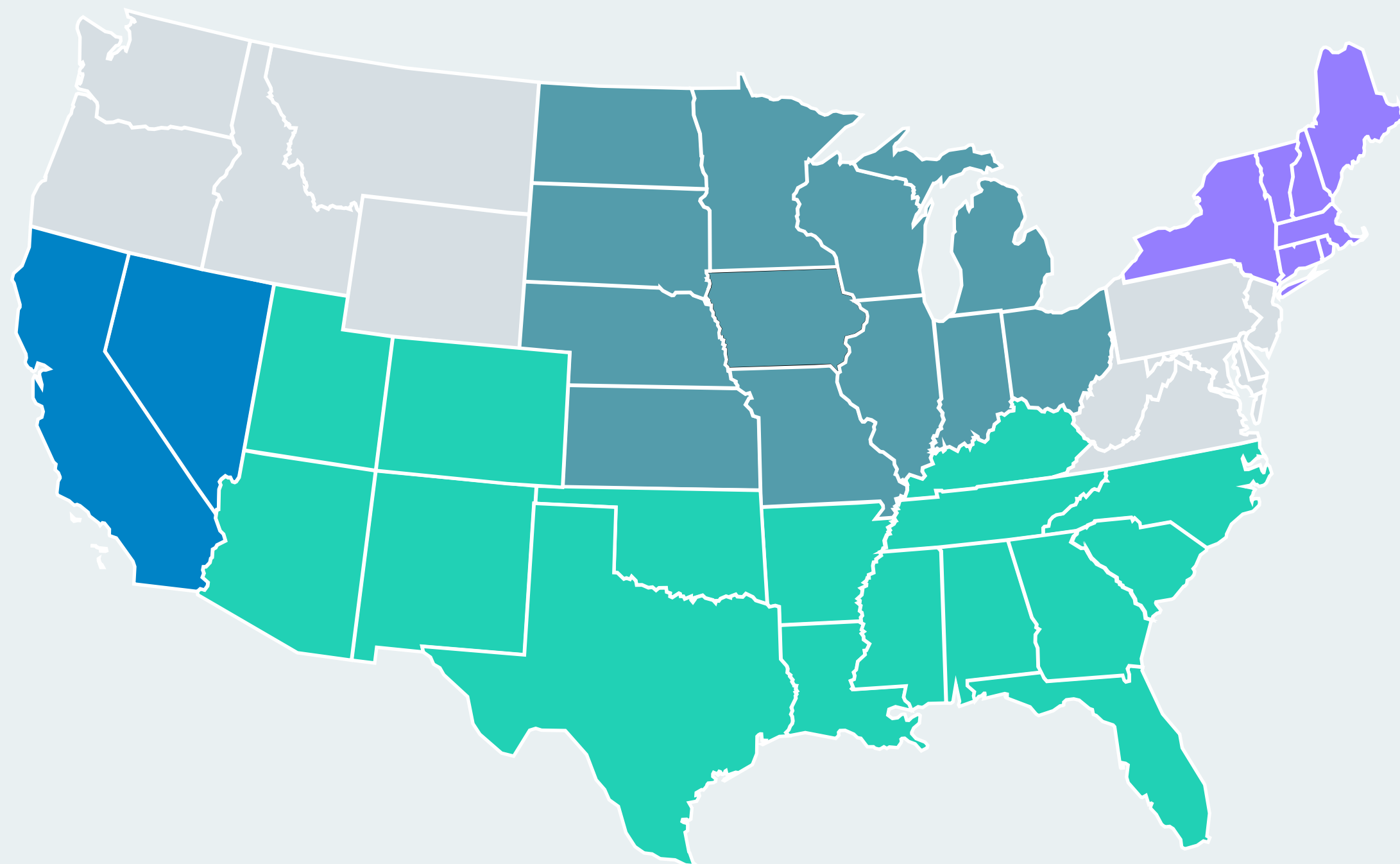
By 2025, click and collect will make up more than 40% of grocery sales<sup>3</sup>, creating a whole new audience of digital-savvy shoppers.

<sup>3</sup>eMarketer



# The Race for Foot Traffic Dominance

Despite continuing industry consolidation and the presence of several strong national giants, the battles for dominance are playing out regionally.



■ WEST ■ MIDWEST ■ SOUTH ■ NORTHEAST

## West Brand Leaders

1. Safeway
2. Albertsons
3. Fry's Food Store
4. Winco Foods
5. Smith's Food & Drug Center

## Midwest Brand Leaders

1. Meijer
2. Hy-Vee
3. Kroger
4. Jewel-Osco
5. Aldi Nord

## Northeast Brand Leaders

1. Shop Rite Supermarket
2. Stop & Shop Supermarket
3. Super Stop & Shop
4. Wegmans
5. Giant Eagle

## South Brand Leaders

1. Publix Super Market
2. H-E-B Foods
3. Food Lion
4. Walmart Neighborhood Market
5. Kroger



# Looking Forward

## ■ Take the Guesswork Out of Your Video Campaigns with CTV

Advanced TV allows you to activate targeting capabilities that do not exist with linear TV ads. If you've already invested in desktop and mobile video, you can extend your campaign reach through the big screen using omnichannel solutions without the high cost of traditional TV. By shifting your existing video marketing spend to CTV and overlaying your first-party data, you can optimize audience segmentation and target towards meaningful business outcomes such as visits and sales.

## ■ Don't Leave Digital Customers Out of Your Marketing Strategy

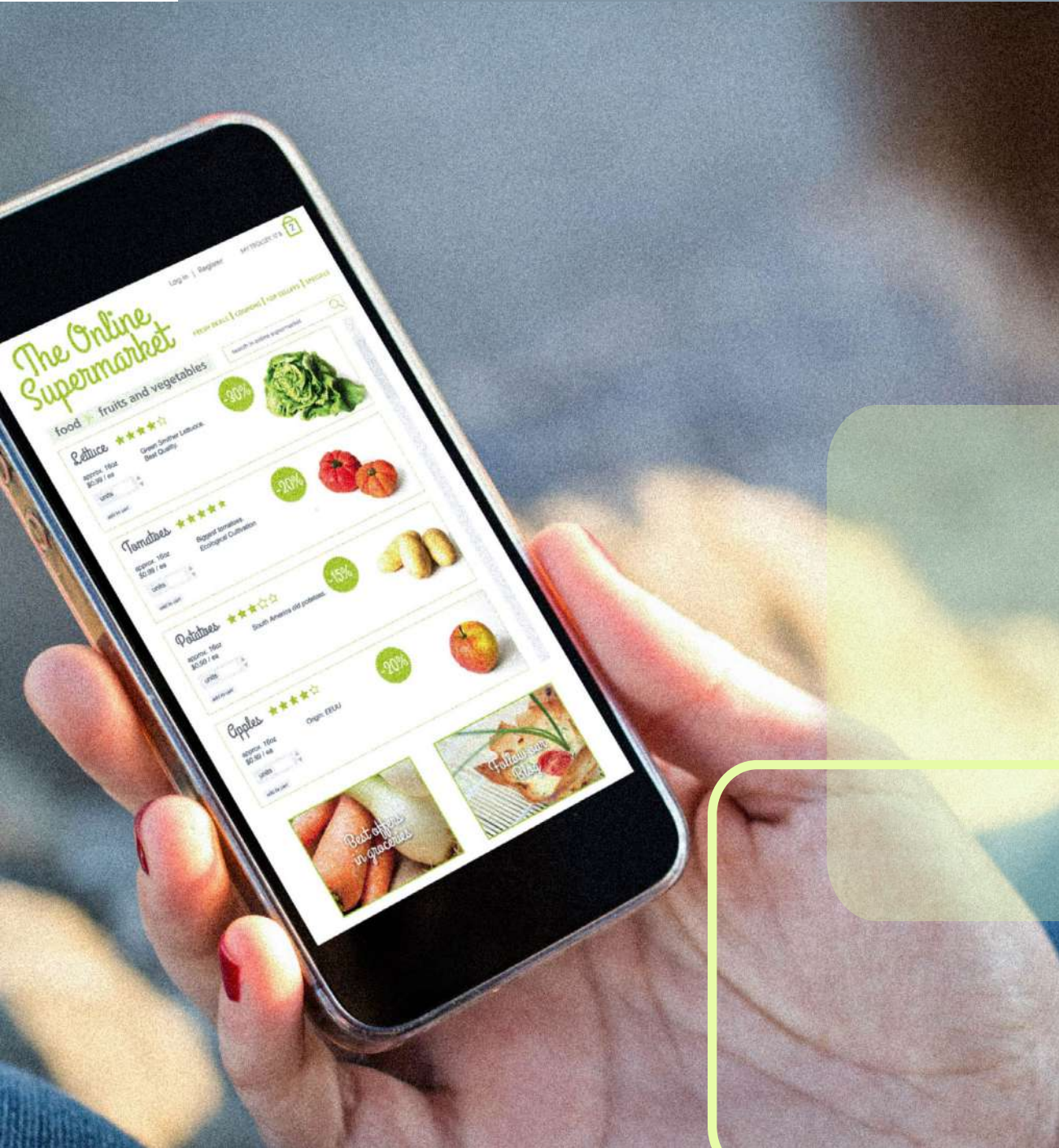
Curbside pickup continues to grow in popularity. In some cases, out pacing in-store click and collect for those brands who offer both. To reach customers who are not entering your store but still buying through digital services, grocery brands can use behavioral-based audiences to make sure digital-only customers are aware of in-store promotions and services.

## ■ Boost Ad Engagement with QR Codes

In 2022, 83.4 million U.S. adult smartphone users (representing 37.5% of smartphone users) will scan a QR code.<sup>4</sup> This share will rise to 42.6% by 2025. Grocery brands can use QR codes with their ad campaigns to help consumers move from awareness to an action. Marketers can also track the performance of campaigns that are traditionally hard to measure such as eCirculars, and CTV campaigns, through views and store visits.

## ■ Integrated Brand Experiences Make for a Happy Customer

Grocery stores with integrated services, such as pharmacies, coffee shops or food courts, can create a holistic brand experience to make it easy for customers to find and buy these products/services at multi-location brick-and-mortars. Partner marketers who incorporate these extra services into promotional campaigns, mobile ordering systems, or even at checkout can increase the opportunity for cross-selling.



<sup>4</sup> eMarketer





# Questions?

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## CONTACT US

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