



ACOSTA

The Mobile-ization of Grocery Shopping

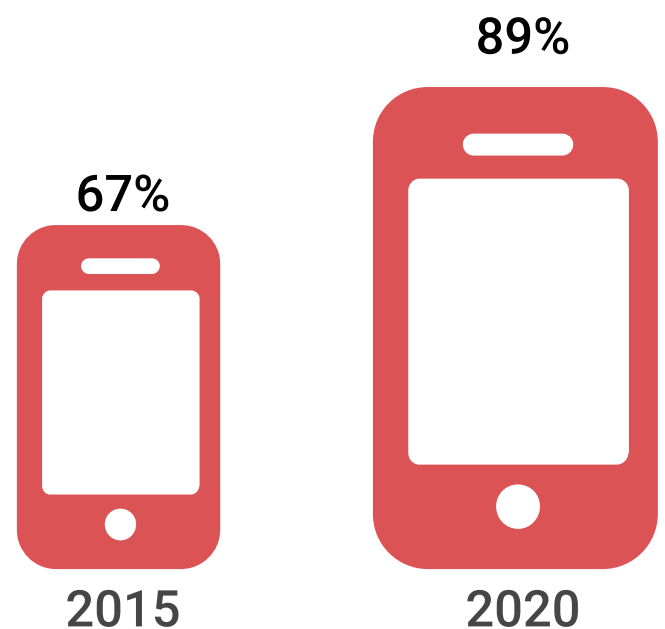
FALL 2020

A Mobile Life

With the explosion to more than 260 million smartphone users in the U.S. in 2020, it should come as no surprise that 89 percent of U.S. grocery shoppers are using a smartphone, up 22 percentage points in the past five years. Additionally, 93 percent of Gen Z and younger Millennial shoppers (ages 18-39) indicate that they use a smartphone.

Seven in 10 shoppers told us they enjoy using technology to make their life easier. Within the last year, daily mobile device time surpassed television viewing time, with users estimated to spend nearly four hours on mobile devices.

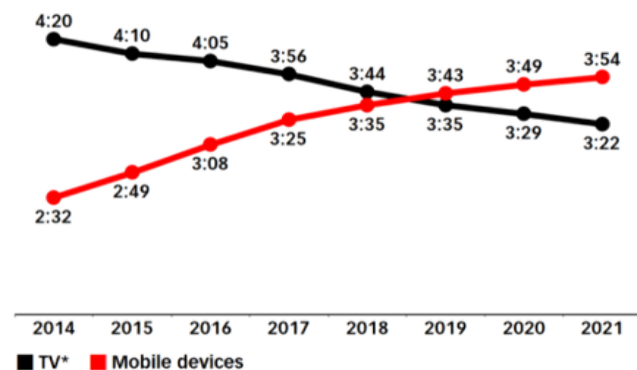
The unique circumstances caused by the COVID-19 pandemic have led to increased mobilization numbers in 2020. The shopping experience has significantly changed, and many consumers are limiting their trips to the grocery store and being as efficient as possible with their time in store. To do this, they are looking to mobile solutions more and more.



Please indicate the type of mobile phone used most often, if any.
(% of U.S. shopper respondents selecting a smartphone)

TV and Mobile Devices: Average Time Spent in the US, 2014-2021

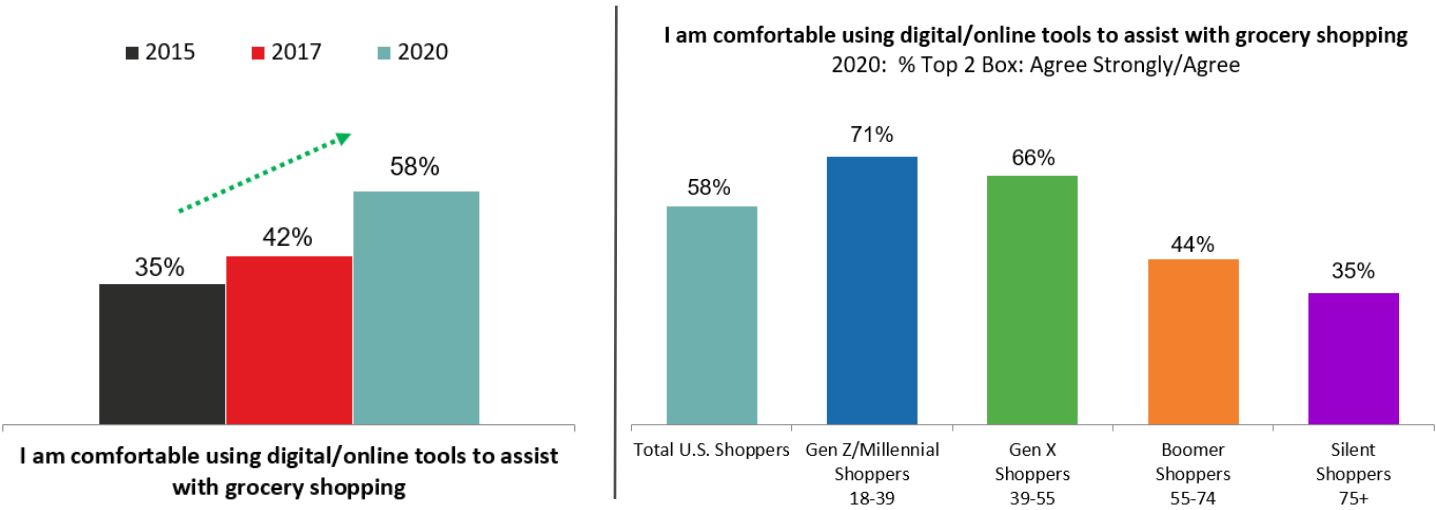
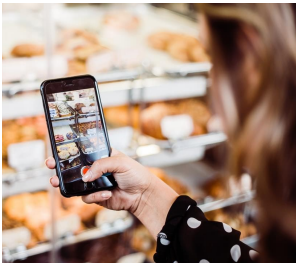
hrs:mins per day among population



* excludes digital

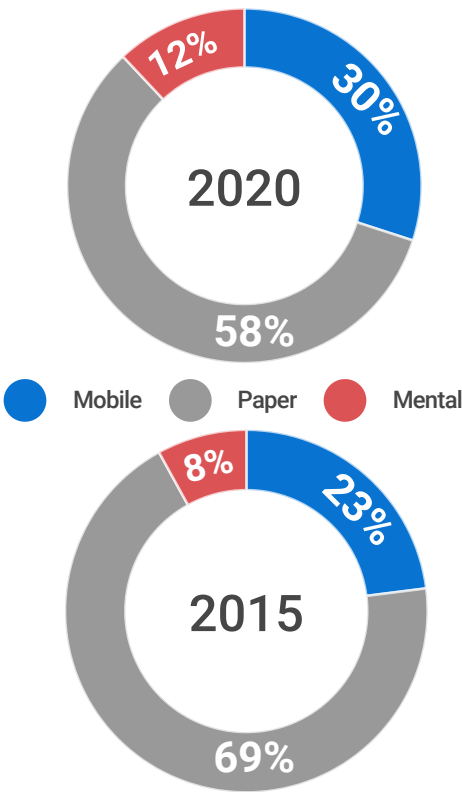
Grocery Shopping & Mobile

The percentage of shoppers who indicate they are comfortable using digital tools to assist with grocery shopping has almost doubled since 2015. Six in 10 U.S. shoppers agree they are comfortable using digital/online tools to assist with grocery shopping, up significantly from about one-third of shoppers. A shopper's age/generation drives those who agree they use digital tools for grocery shopping, with 74 percent of Millennial shoppers who agree compared to less than half of Boomer shoppers.



Paper vs. Mobile Grocery List

More than nine in 10 U.S. shoppers use a grocery list when they shop. Compared to 2015, more people are using a mobile method to prepare their grocery list, while fewer are using a paper list. Among list writers, half of Gen Z/Millennial shoppers indicated using a mobile method for their grocery list.



The Mobile Circular

With the decline in newspaper circulation and the increase in mobile penetration, more shoppers are viewing the grocery circular online or via retailer app. In 2020, 36 percent of Millennial shoppers said they viewed the grocery circular in an app.



34%

of U.S. shoppers viewed the grocery circular online



26%

of U.S. shoppers viewed the grocery circular via retailer app

Grocery Digital Coupons

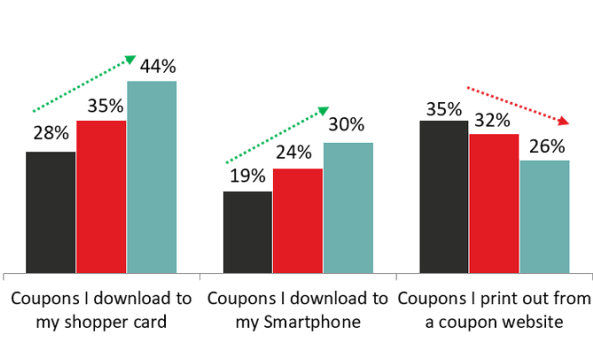
Almost all shoppers have redeemed a grocery coupon in the past month, including both paper and digital/mobile coupon types. Over the past five years there's been significant shifts in the type of grocery coupons that shoppers said they redeem, including an overall decline in the percentage of shoppers redeeming paper/print coupons.



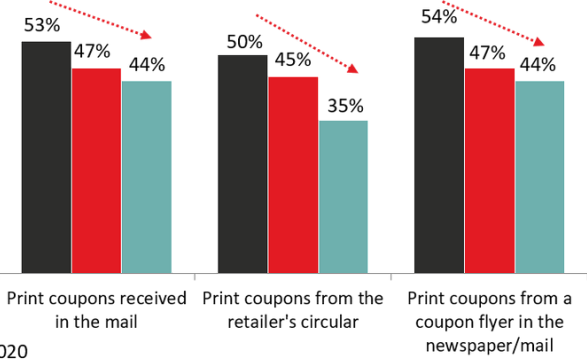
Shoppers have embraced the evolution of digital grocery coupon delivery. The percentage of shoppers who printed digital coupons from a retailer or coupon website (popular digital methods in 2015) have declined, while the percentage of shoppers who have downloaded grocery coupons to their shopper card or to their mobile device has shown a significant increase.



Types of Digital/Mobile Grocery Coupons Redeemed



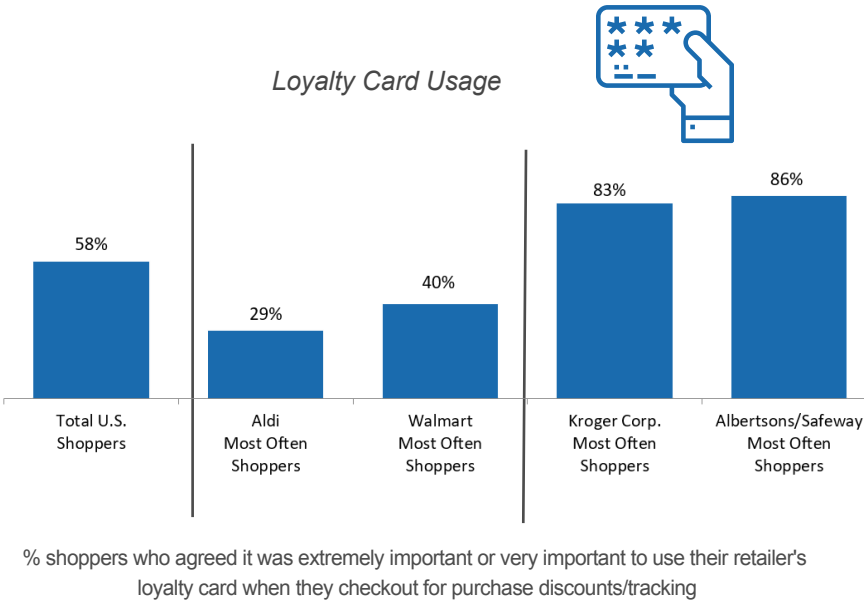
Types of Print Grocery Coupons Redeemed



Grocery Loyalty Cards

With 80 percent of U.S. adults enrolled in some type of loyalty program and the average household enrolled in more than 18 loyalty programs, it is not surprising that shoppers agreed using their grocery retailer's loyalty card at checkout is important. This is particularly true when considering where they most often shop for groceries. Those shopping most often at chains with a loyalty program (Kroger and Albertsons/Safeway), compared to those without a loyalty program (Walmart and Aldi), were significantly more likely to agree that loyalty card use was important.

Loyalty Card Usage



Grocery Mobile Apps

Data indicates that the average person has more than 80 apps installed on their smartphone, using an average of nine different apps daily and about 30 different apps monthly.

Grocery industry information indicates that more than half of U.S. grocery retailers offer a mobile app for shoppers, up from less than one-third of grocers in 2017. Nearly seven in 10 U.S. shoppers indicate that they are using a grocery retailer's app. Shoppers told us they are embracing grocery mobile apps for a variety of reasons, beyond online grocery orders.



Social Media & Food

Food has proven to be social media gold, with 46 percent of weekly U.S. Instagram users saying they like to see and share content about food and drink, making it the most popular interest on the platform. The popular #foodporn hashtag shows more than 240 million images/posts, with millions of other images posted across the food shopping, preparation and consumption continuum. With shoppers eating more frequently at home now versus pre-pandemic, it's no surprise recipe posts and hashtags are extremely popular, as consumers are eager to find new meal ideas.



242m

#foodporn

7.6m

#recipes

954k

#groceryshopping

Across U.S. shopper generations, Facebook is the most universally used social media platform, with Instagram second most popular (first among Gen Z shoppers). Many grocery shoppers on social media follow brands/products (48 percent) as well as retailers/stores (44 percent). Shoppers follow brands and retailers for similar reasons: for special promotions or discounts, to learn about new products, to learn about special events or sales, and to get ideas for product use or recipes (brands).



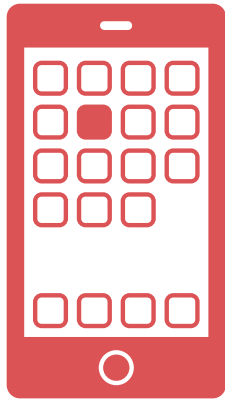
15% Total U.S. shoppers
27% Millennial shoppers
say it's important to check-in on a social media site after arriving at the store



19% Total U.S. shoppers
32% Millennial shoppers
say it's important to share a grocery promotion with friends/family via social network

Recommendations to Mobile-ize Grocery

Grocery Retailer Apps



- Deliver the store circular in an optimized mobile device format
- Provide mapping by individual store that will guide shoppers efficiently
- Allow shoppers to easily build their grocery list using the app, whether it's an in-store shopping trip or an online/e-commerce order
- Customize the in-store shopping experience by delivering real-time promotions for grocery list items or those that complement the list
- With permission, cue shoppers on their mobile device when they approach an aisle/store section with a grocery list item
- Allow in-store mobile ordering of service items like meat/seafood, prepared foods, etc., eliminating a "wait" for custom orders
- Integrate check-out services with the grocery app, whether it's directing shoppers to the shortest checkout lane, allowing mobile scanning to skip the traditional check-out or allowing mobile payment

Shopping In Store



- Encourage mobile usage in store for real-time offers and meal solutions
- Design easy-to-navigate aisles to accommodate multi-tasking shoppers
- Include a holder on the cart for a mobile device for easy access/viewing
- Integrate mobile-enabled signage throughout the store
- Deliver offers to in-store shoppers that are easy to access and download to a mobile device
- Encourage retailer social media check-ins via a mobile device; explore incentives for posting/sharing meal/recipe/promotion info
- Deliver convenient check-out solutions that leverage mobile capabilities

Sources: Acosta Custom *The Why? Behind The Buy™* Shopper Surveys, Fall 2020: 9/25 - 10/5/2020 Total U.S. Shoppers; Historical comparisons with Acosta Spring 2015 and Spring 2017 survey data; Additional chart sourcing: Page 1: TV and Mobile Devices: Smartphone users from Statista & Average Time Spent in the US 2014-2021 from eMarketer, April 2019; Page 3: Loyalty card statistics from Colloquy Loyalty Census and Synchrony Financial/Ipsos Poll.; Page 4 Grocery Mobile Apps reasons for use from Acosta Shopper Community Discussion Board; Chart: Smartphone App statistics from www.netguru.com; Grocery App facts: Inmar Intelligence, September 2019 survey. Social Media & Food section Instagram food and drink facts (C) Facebook IQ 2020 Trends & Topics Report, Fall 2019. Instagram hashtag post figures effective 10/9/2020.

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