

GUTCHECK

Grocery E-Commerce Consumers

Agile Attitudes & Usage™ Study



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BACKGROUND & OBJECTIVES

GutCheck works with top consumer package goods (CPG) companies, and recently, much of the research for these industry leaders has focused on the grocery e-commerce category, with a specific need centered around brand loyalty and the online shopping cart. The findings from these various research projects have shown when consumers are shopping for the same types of products online, they select the same brands they would in-store or select based on price and reviews/recommendations. While we know that convenience also plays an important role in the online grocery shopping experience, we don't always know what other motivations compel consumers to purchase online or the specifics of what motivates certain consumers over others. And with the quickly changing landscape of online grocery shopping, understanding who these consumers are is challenging.

As a result, this research seeks to understand who current online grocery shoppers are and what compels them to shop online. Additionally, the research will focus on understanding barriers and triggers that exist for online grocery shopping. The findings will then be used by e-commerce brands to guide marketing and messaging tactics to encourage online grocery shoppers to purchase their brands specifically.

Who are the consumers currently shopping online for groceries, and how can brands who play in the online grocery and delivery space better target and message to these consumers?

Objectives:

1. Identify the variety of providers and resources (including delivery methods) that consumers look to first and/or most often for ordering nondurable groceries online
2. Determine which key grocery items consumers are currently shopping online for (vs. in-store)
3. Uncover what motivations drive consumers to shop online for groceries and what barriers and triggers exist
 - Topics to Explore: What initially drives consumers to order online rather than in-store (e.g., price, convenience, selection, privacy), barriers to purchasing online (delivery aspect, fresh produce, etc.)

METHODOLOGY

This study was conducted via an online quantitative survey. Each survey lasted approximately 9 minutes.

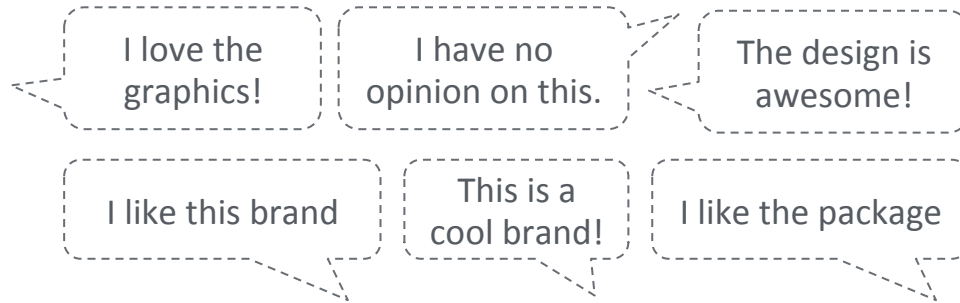
Audience	
Gender	Male/Female
Age	18-65
Marital Status, Children at Home, HHI, Location	Capture
Grocery Shopper	Primary household grocery shopper
Online Purchases	Has shopped online for groceries in past year
Frequency Online Grocery Purchase	Has shopped online for groceries at least 2-3 times in past year
Types of Grocery Items Purchased	Capture

Method	# of Respondents
Agile Attitudes & Usage™	700

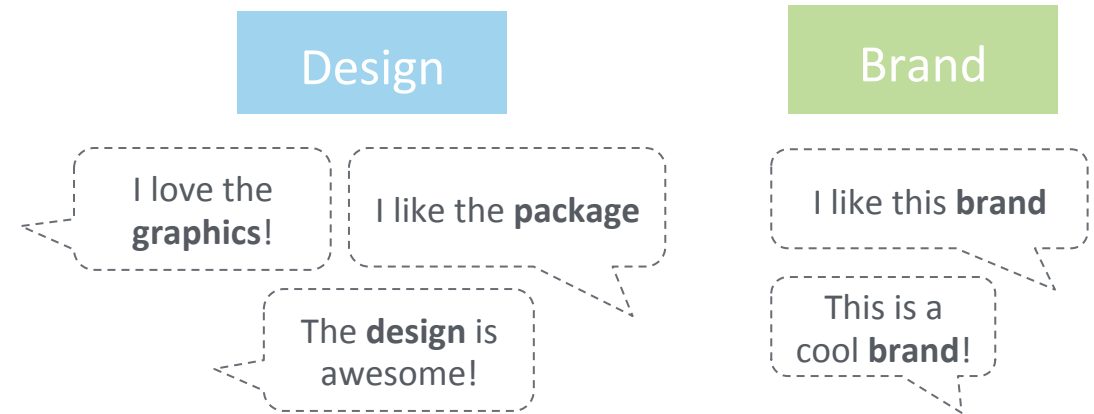
Survey clicks were balanced to population level data on Age, Gender, and Region, to ensure a natural fallout of the sample.

Keyword coding captures recurring themes in responses and groups them under shared topics

1 Open-ends are automatically coded into themes based on the subject of the open end



2 Recurring themes are captured and grouped



3 The number of responses under a topic determines the size of its name in the cloud



Understanding how GutCheck looks at barriers & triggers

EFFECT

Barriers

Which of the following, if any, prevented you from purchasing [category/brand] or purchasing [category/brand more often]?



Triggers

Which of the following, if any, have led you to purchase [brand/category]?



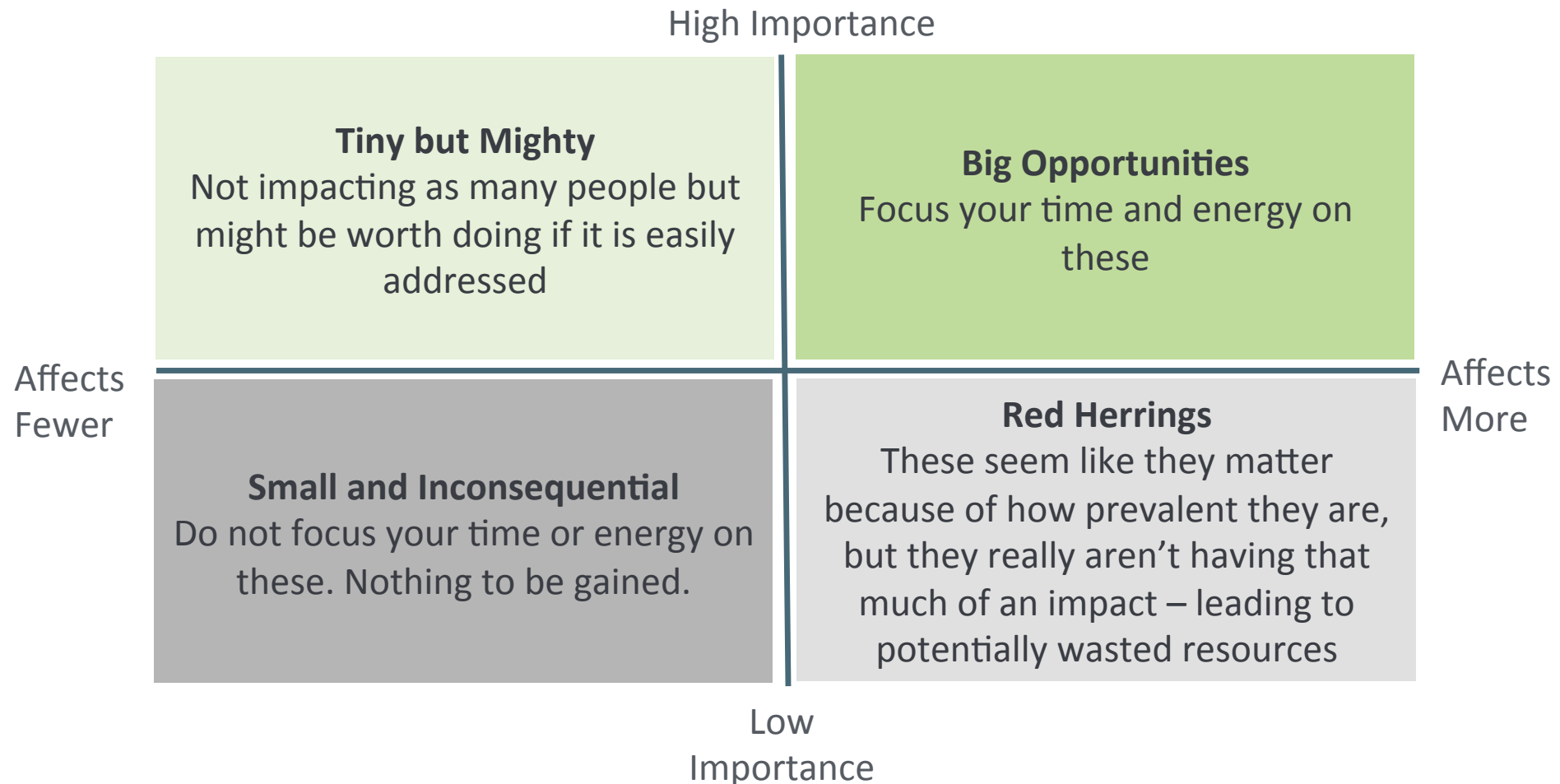
IMPORTANCE

Among the following, rank the top 3 items that would be most likely to encourage you to purchase [category/brand] (where 1 is the thing that would make you most likely to purchase, 2 is second most likely, etc.).

Among the following things that have or would prevent you from purchasing [brand/category], please rank the top three that would be the most important to resolve in order for you to continue purchasing [brand/category] (where 1 is most important to solve, 2 is second most important to solve, etc.).

QUADRANTS FOR BARRIERS & TRIGGERS: AFFECT & IMPORTANCE

Barriers and triggers can be segmented into four types. These types inform how much work you should put towards addressing them.





EXECUTIVE SUMMARY

Most online grocery shoppers began shopping online in the past year in order to save time on purchasing less perishable grocery items each month

How They
Learned About It



50%

Learned about online grocery shopping from **social media or friends and family**

How Long
They've Been
Shopping



67%

Started online grocery shopping **in the past year**

Frequency of
Purchase



72%

Purchase groceries online **once a month or more**

What They
Purchase



74%

or more are purchasing **dry and/or canned food**

Satisfaction



50%

Are currently **highly satisfied** with their online grocery shopping experience

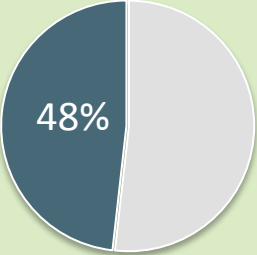

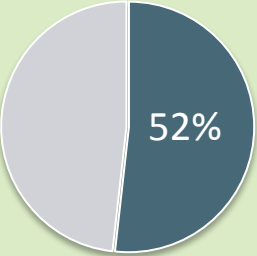

Why They Do It



59%

Are driven to online grocery shop in order to **save time**

Online grocery food shoppers can be characterized by the frequency in which they purchase grocery food online

	<u>Percent of Market</u>	<u>Traits</u>	<u>Triggers</u>	<u>Barriers</u>	<u>Unmet Needs</u>
<p>MORE FREQUENT SHOPPERS</p> <p>(Purchase 2-3 times a month or more)</p>	 <p>48%</p>	 <p>Majority are younger, male, have children in urban locations, and purchase a larger variety of items online</p>	<p>More triggers overall: the top 3 including saves time, easier to purchase with other items online, and more types of food available</p>	<p>Top barriers include added cost for delivery, brands desired aren't always available, and quality of food isn't up to standard</p>	<ul style="list-style-type: none"> • Faster delivery • Free/cheaper delivery • More coupons/online deals • Larger variety of brands
<p>LESS FREQUENT SHOPPERS</p> <p>(Purchase a few times a year to once a month)</p>	 <p>52%</p>	 <p>Majority are older, female, and those without children in suburban/rural locations</p>	<p>Top triggers include to save time, easier to purchase with other items, promotion/trial deals, and cheaper prices than in-store</p>	<p>More barriers overall: the top 3 including added cost for delivery, desire to pick out own produce, and additional monthly/subscription cost</p>	<ul style="list-style-type: none"> • Free/cheaper delivery • More coupons/online deals • Lower monthly cost/subscription

MESSAGING

Messaging should seek to encourage those frequently buying grocery food online to purchase a greater variety, and those who are less inclined to it, to do it more often



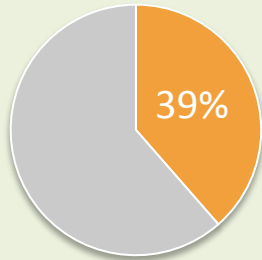
I buy grocery food items online quite often, especially since I buy a lot of other things online too. I'm looking to continue my online grocery food shopping because it's easier than traditional shopping in so many different ways. It's also great for the many types of products and brands I buy. So if a provider could offer or highlight more customization and variety, that would definitely interest me more.

I don't currently shop online as much, mostly because it seems a bit too expensive for the delivery and monthly subscriptions. Sometimes it's also just easier to stop at the store or pick out my own fresh produce. It is nice to save time though, so I suppose if the costs could go down or some deals or a loyalty program was provided, I might buy groceries online more often.



Amazon and Wal-Mart are the most used providers for online grocery food shopping and vary in terms of the consumers they attract

amazon.com



39% of online grocery food shoppers shop Amazon most



56% purchase once a month or less

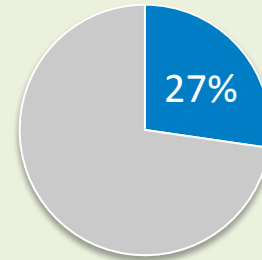


Majority learned about online grocery food shopping through a search engine



Besides ease of use, the primary location selection reason is lower delivery cost

Walmart



27% of online grocery food shoppers shop Wal-Mart most



53% purchase 2-3 times a month or more



Majority learned about online grocery food shopping through social media



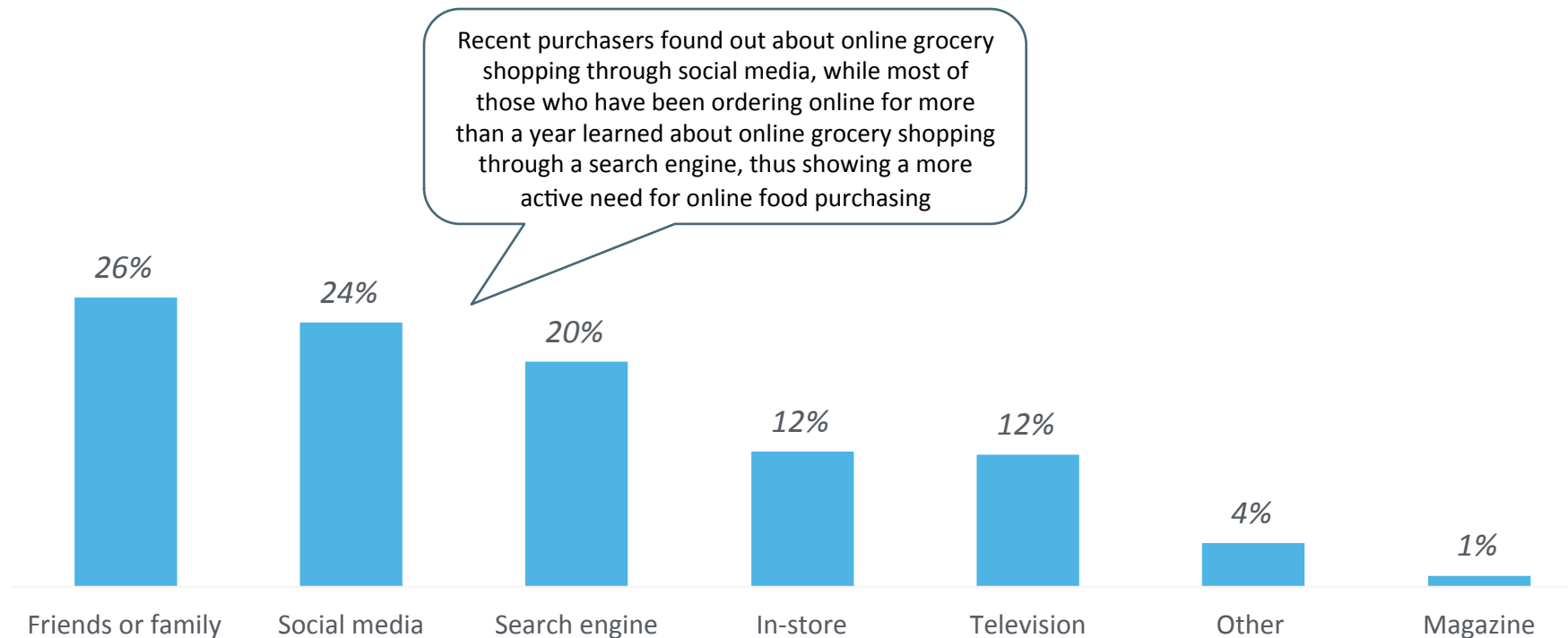
Besides ease of use, the primary location selection reason is they already shop there in-store



DETAILED FINDINGS

LEARNED ABOUT (n=700)

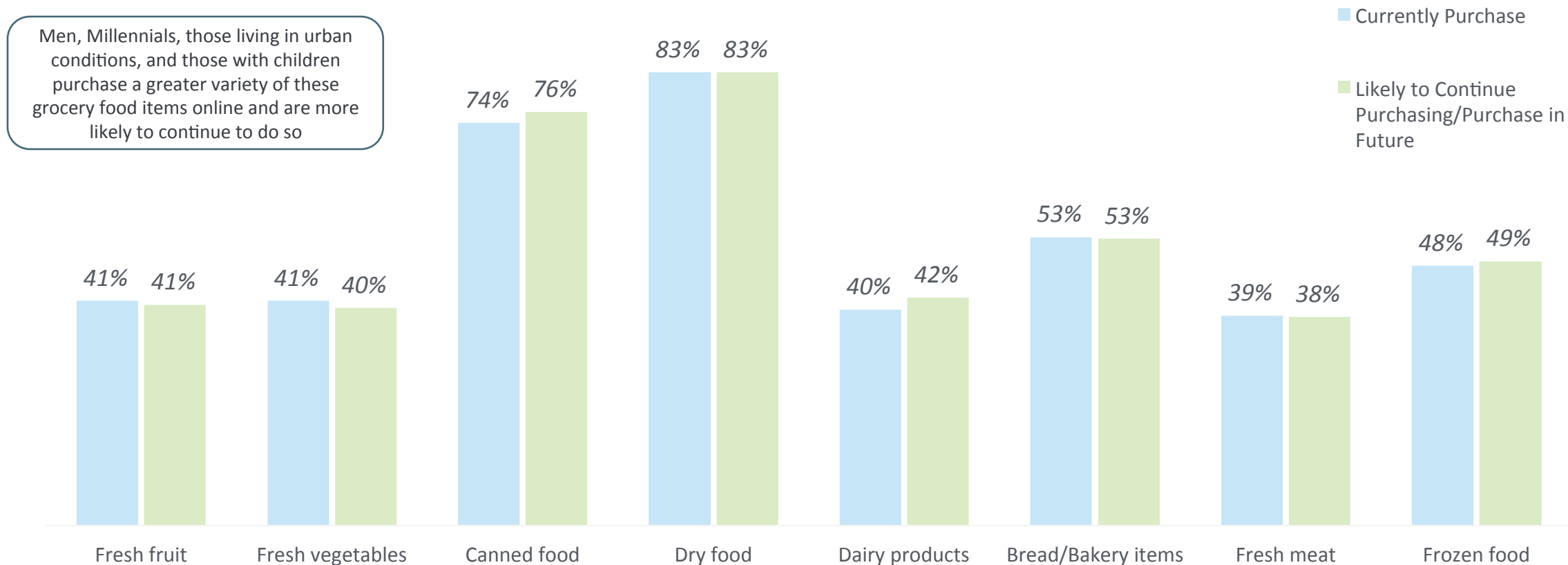
Consumers first learned about online grocery food shopping primarily **through friends or family or social media**



Which of the following best describes where you learned about online grocery food shopping?

CURRENTLY PURCHASE VS. LIKELY TO PURCHASE IN FUTURE (n=700)

Less perishable items, like **canned and dry food**, are the most often **purchased food items online** and will likely continue to be in the future

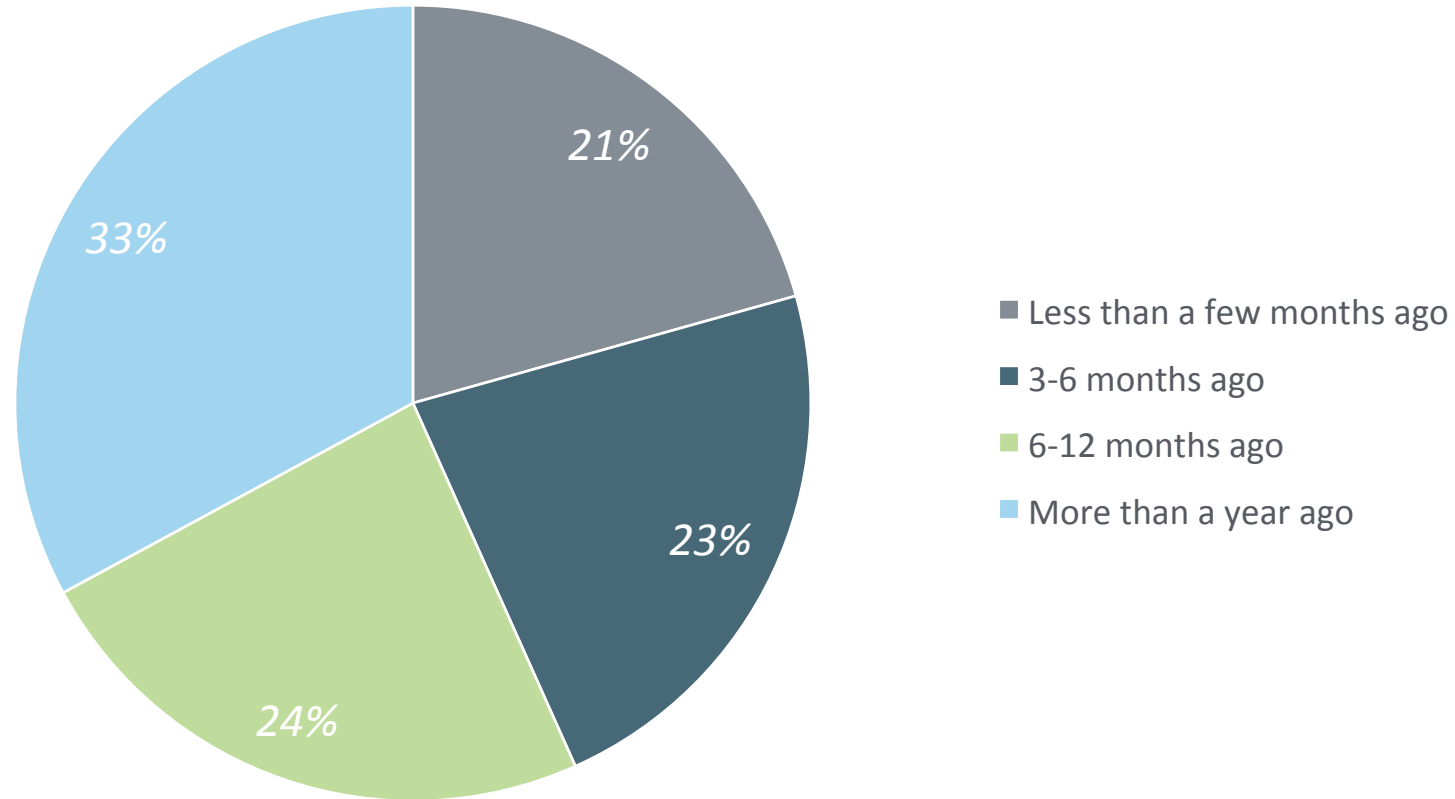


Which of the following grocery food items have you purchased online? Which of the following grocery food item(s) are you likely to continue purchasing online and/or try purchasing online in the future?

STARTED ONLINE GROCERY SHOPPING (n=700)

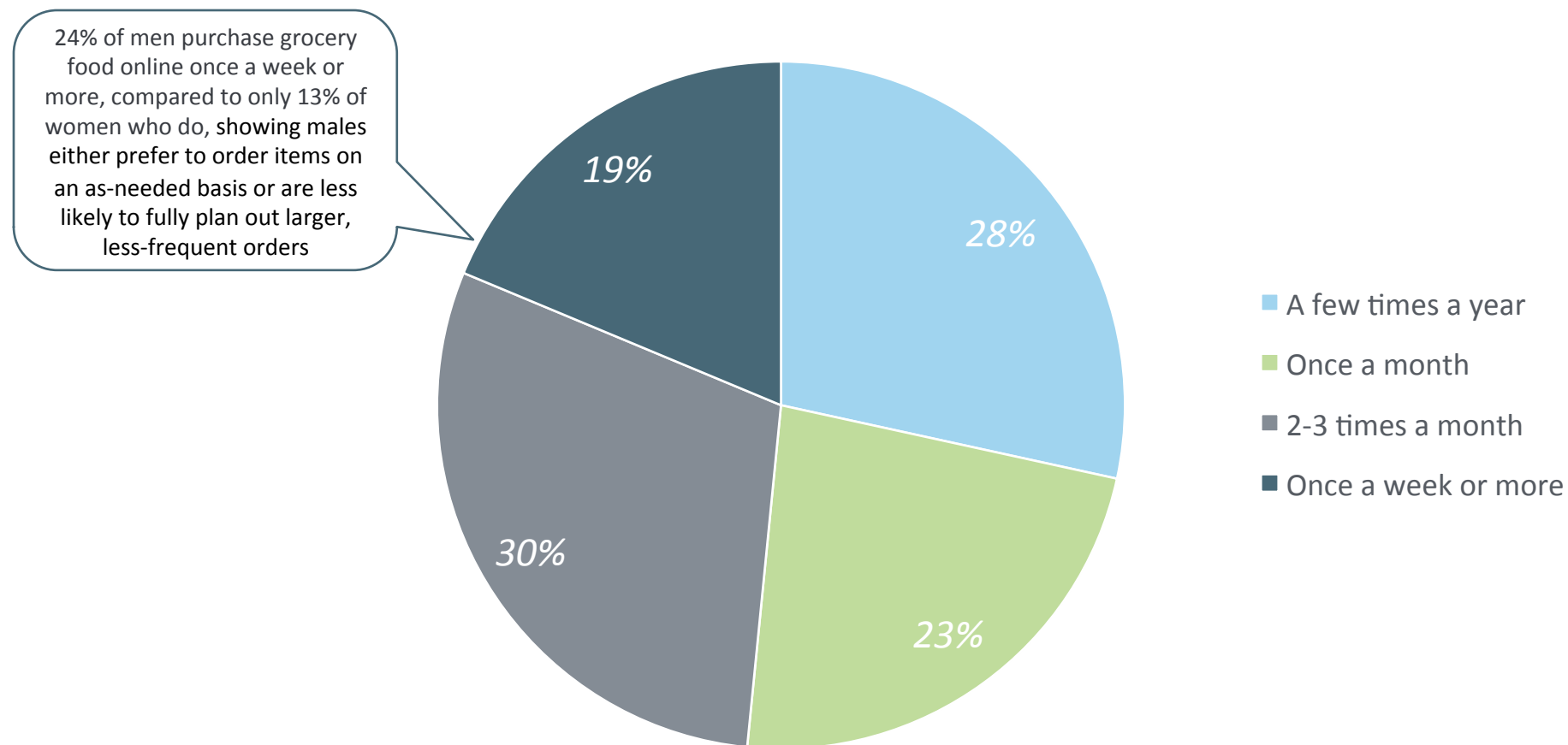
67% of consumers just started purchasing grocery food online in the past year, while 33% started more than a year ago

37% of men started online grocery shopping more than a year ago, as compared to 29% of women (who are more varied in when they started)



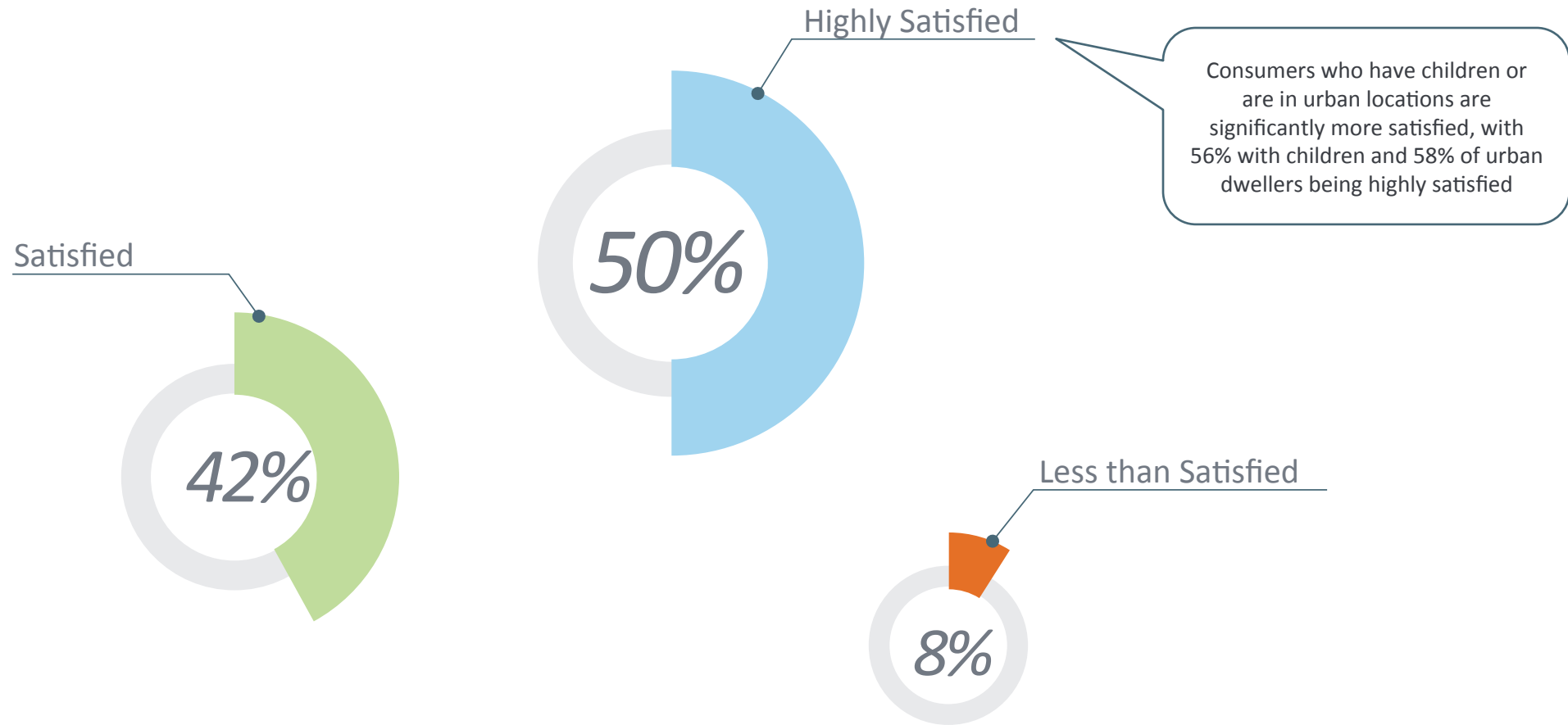
When did you first start purchasing grocery food items online?

Consumers are more **evenly dispersed** in how often they purchase grocery food online



How often do you purchase grocery food online?

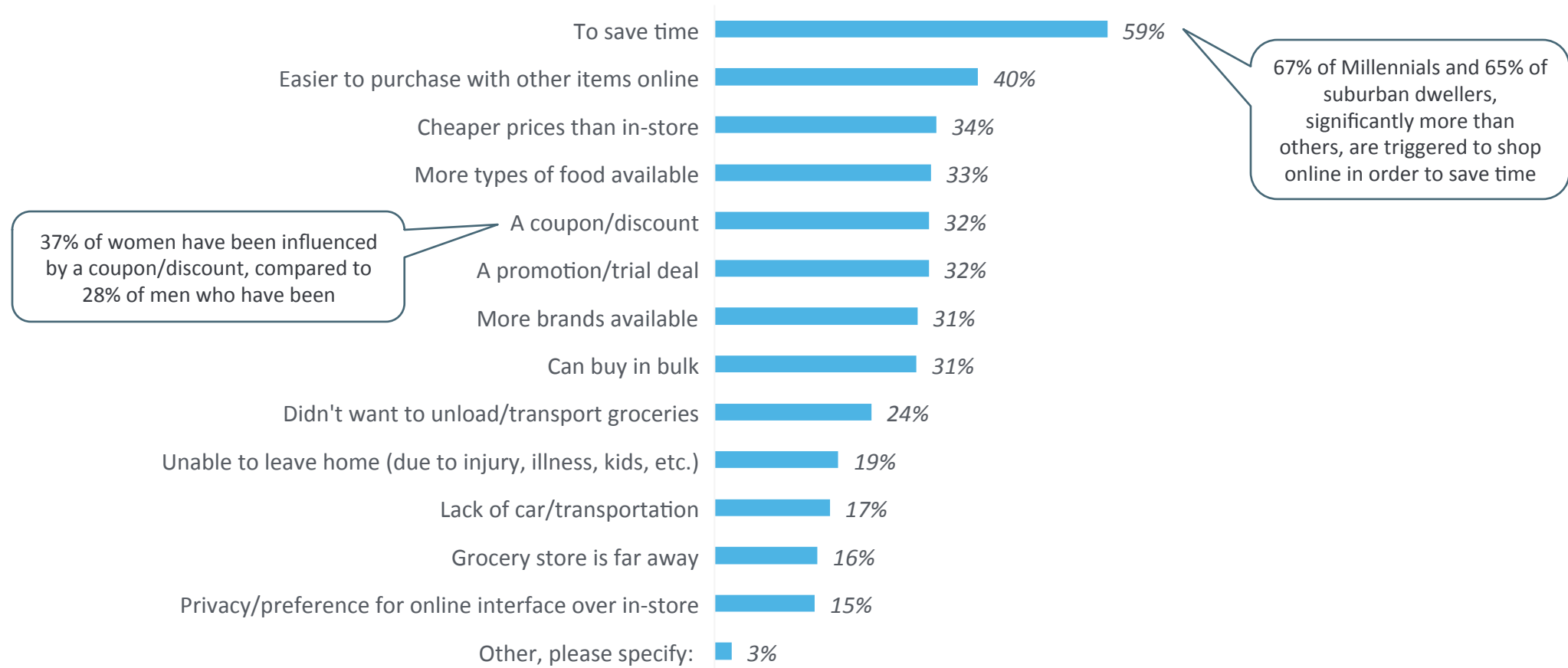
The majority of **consumers are satisfied** with their current experience purchasing grocery food items online



How satisfied or dissatisfied are you with your current online grocery food shopping experience?

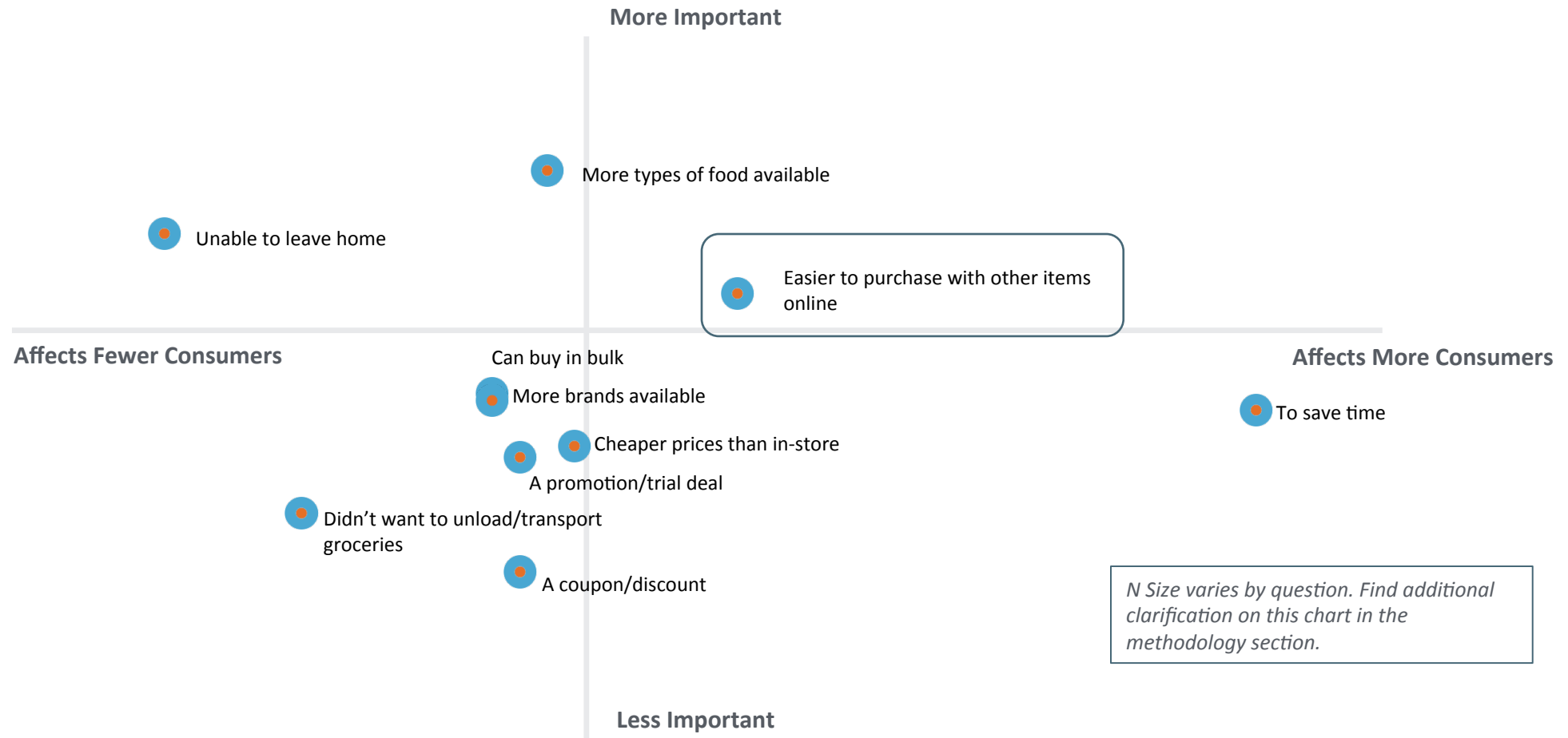
TRIGGERS (n=700)

Saving time is by far the greatest motivation for online grocery food purchasing, followed by the ability to purchase other items with it



Which of the following, if any, have led you to purchase grocery food online?

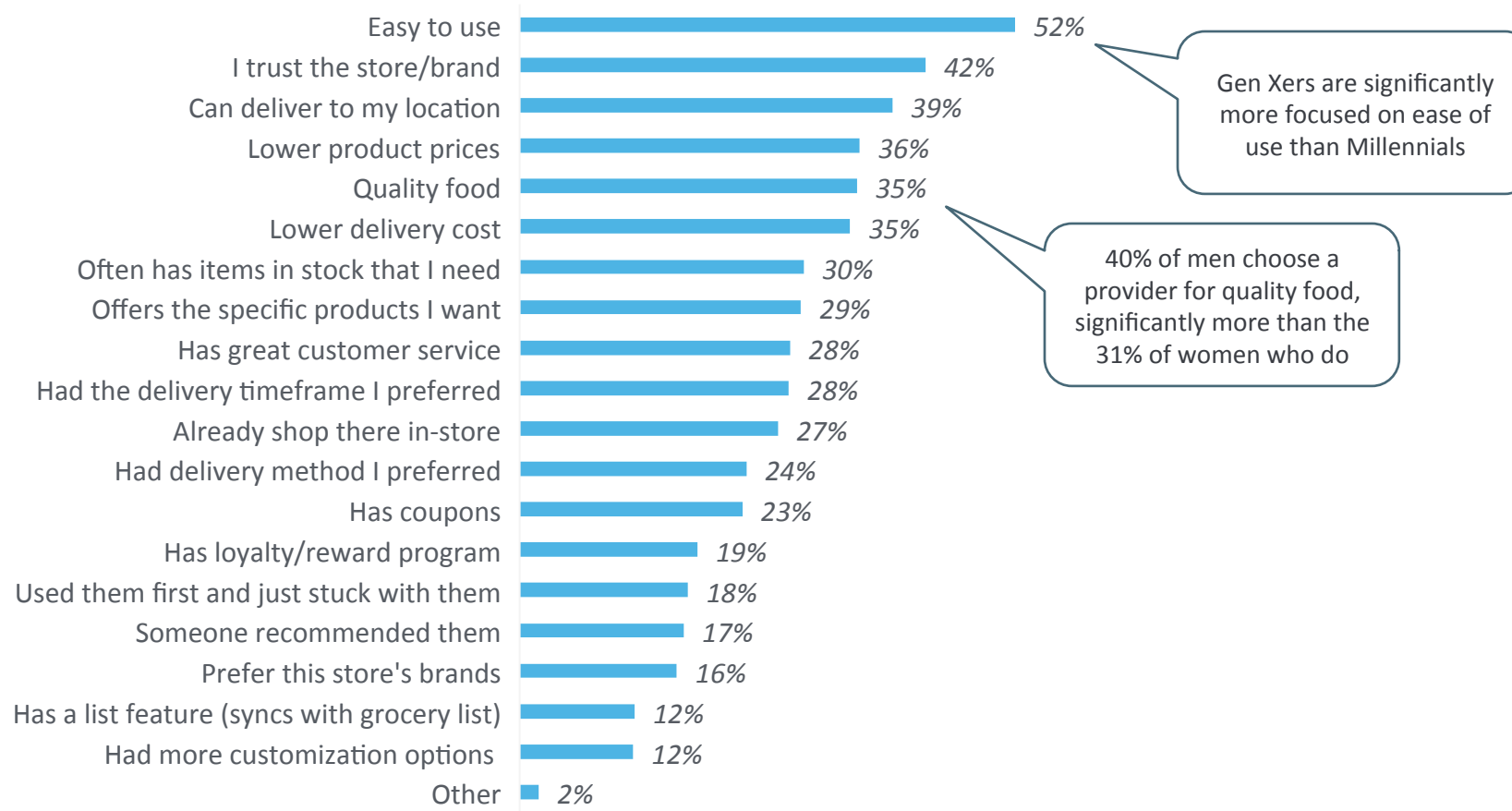
Communicating the ease of use in purchasing food with other items is the greatest opportunity to encourage more consumers to shop online



Which of the following, if any, have led you to purchase grocery food online? Among the following, rank the top 3 items that would be most likely to encourage you to purchase grocery food online (where 1 is the thing that would make you most likely to purchase online, 2 is second most likely, etc.).

LOCATION SELECTION REASONS (n=700)

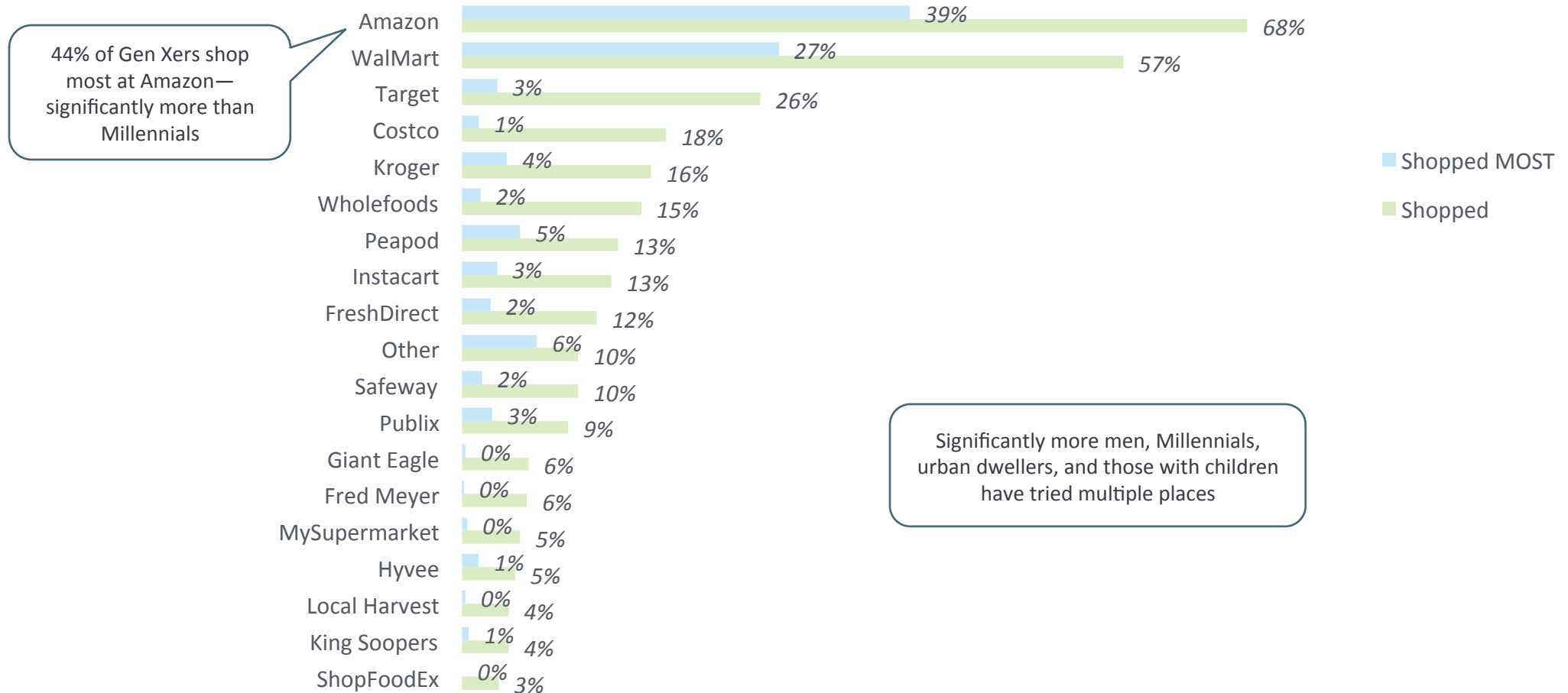
An **easy to use interface** and a **trustworthy brand** image are the top reasons when choosing a provider for online grocery food



You mentioned that you purchase groceries online from [pipe: location] most often. Which of the following best describes why you purchase online grocery food items from this store most often?

SHOPPED AT VS. SHOPPED MOST (n=700)

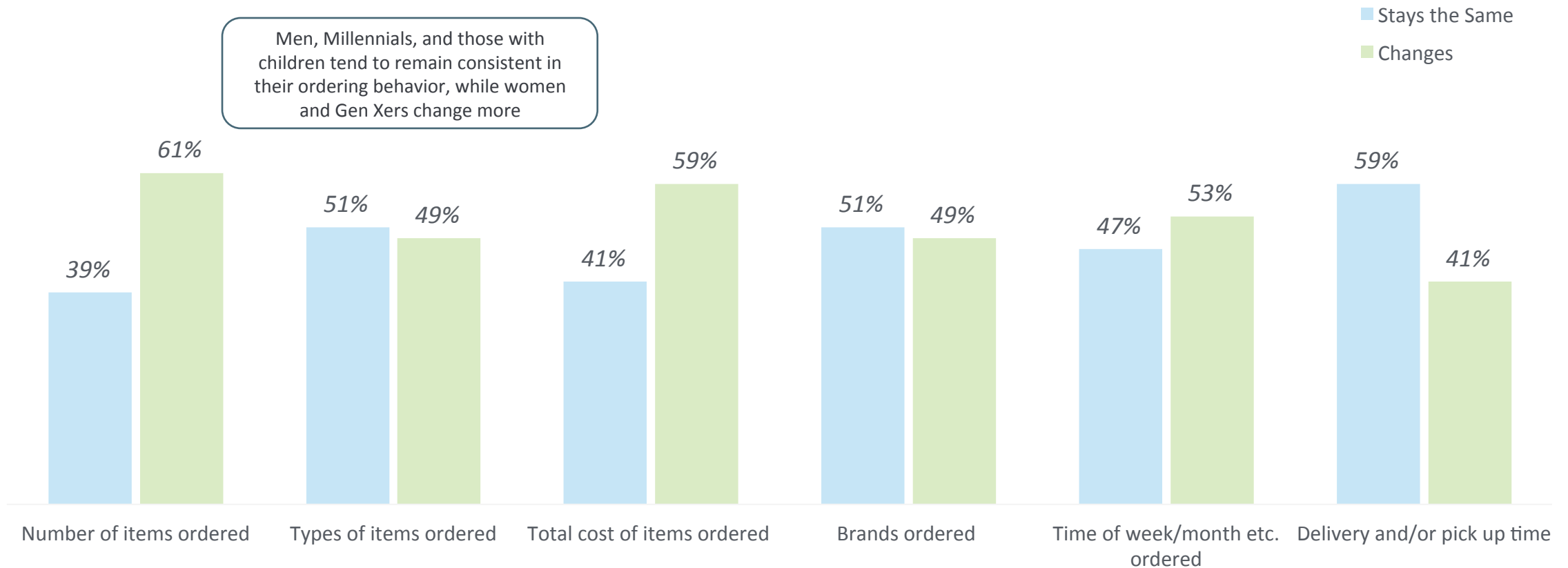
Amazon and Wal-Mart are clearly the most shopped at and likely most preferred providers due to their brand trust and reach



From which of the following have you ever purchased grocery food online? Which location do you purchase groceries online from the most?

ORDERING BEHAVIOR (n=700)

The **delivery/pick up time** is the most consistent factor of online grocery ordering, while other factors depend on the shopper or situation

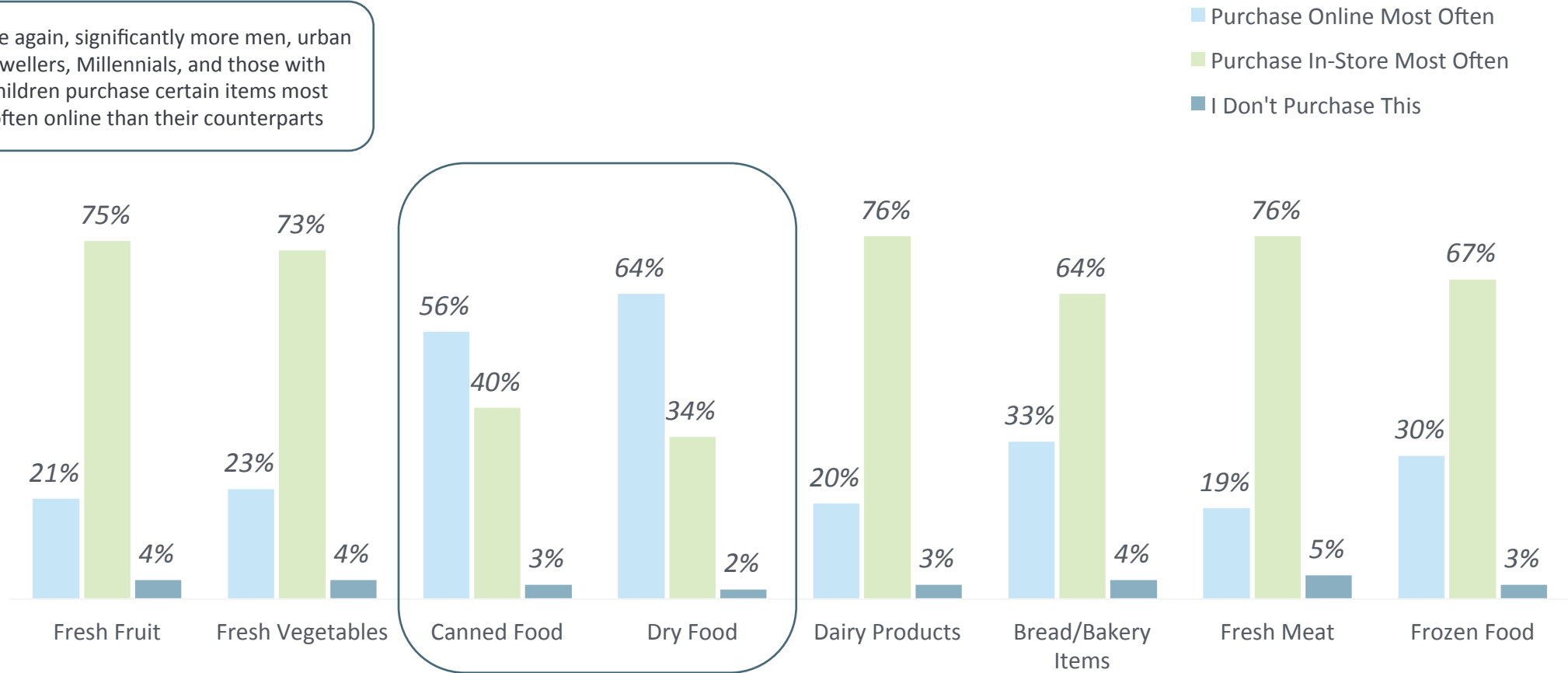


Out of the following, please select whether it typically stays the same or changes from order to order when you purchase grocery food items online.

PURCHASE ONLINE VS. IN STORE (n=700)

Canned food and dry food are the two categories consumers embrace purchasing online over in-store

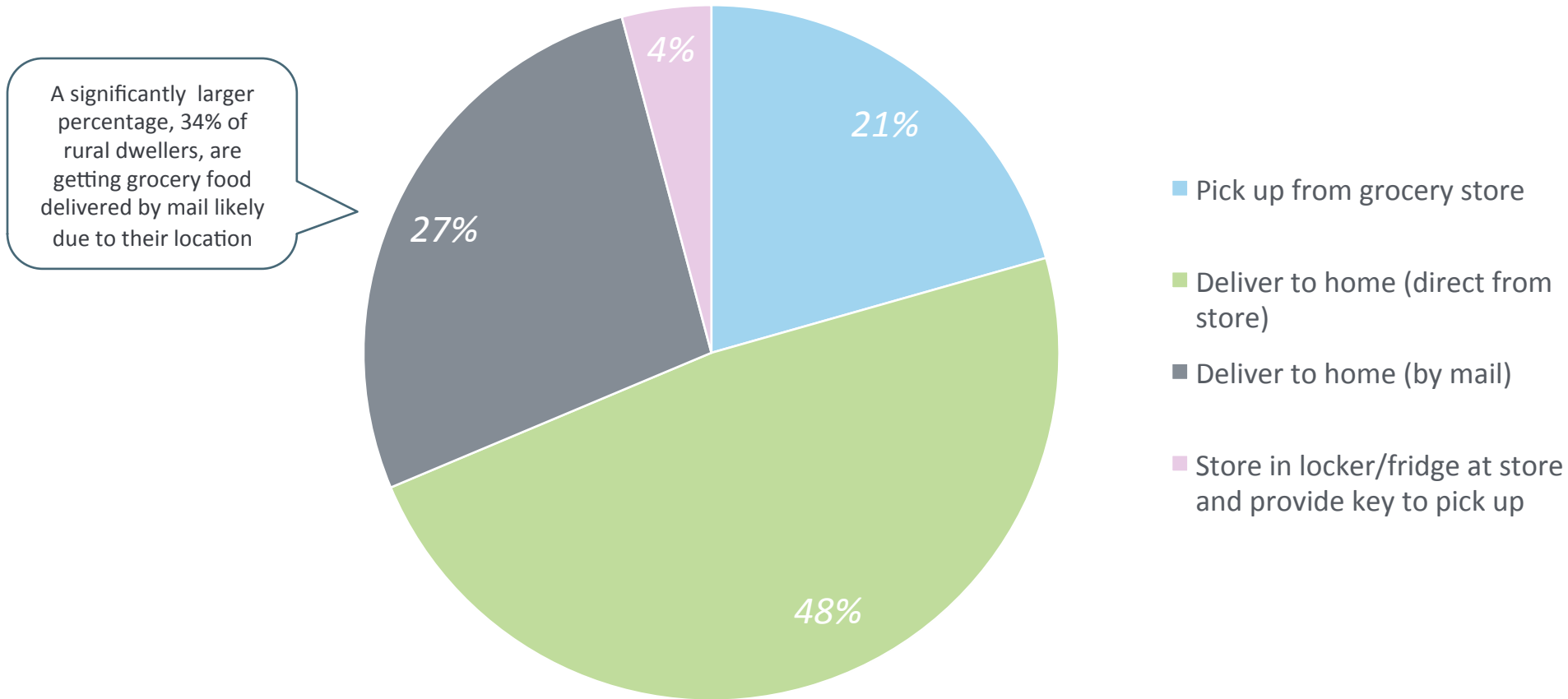
Once again, significantly more men, urban dwellers, Millennials, and those with children purchase certain items most often online than their counterparts



For each of the following grocery food items, please select where you purchase them in-store or online most often.

PREFERRED DELIVERY METHOD (n=700)

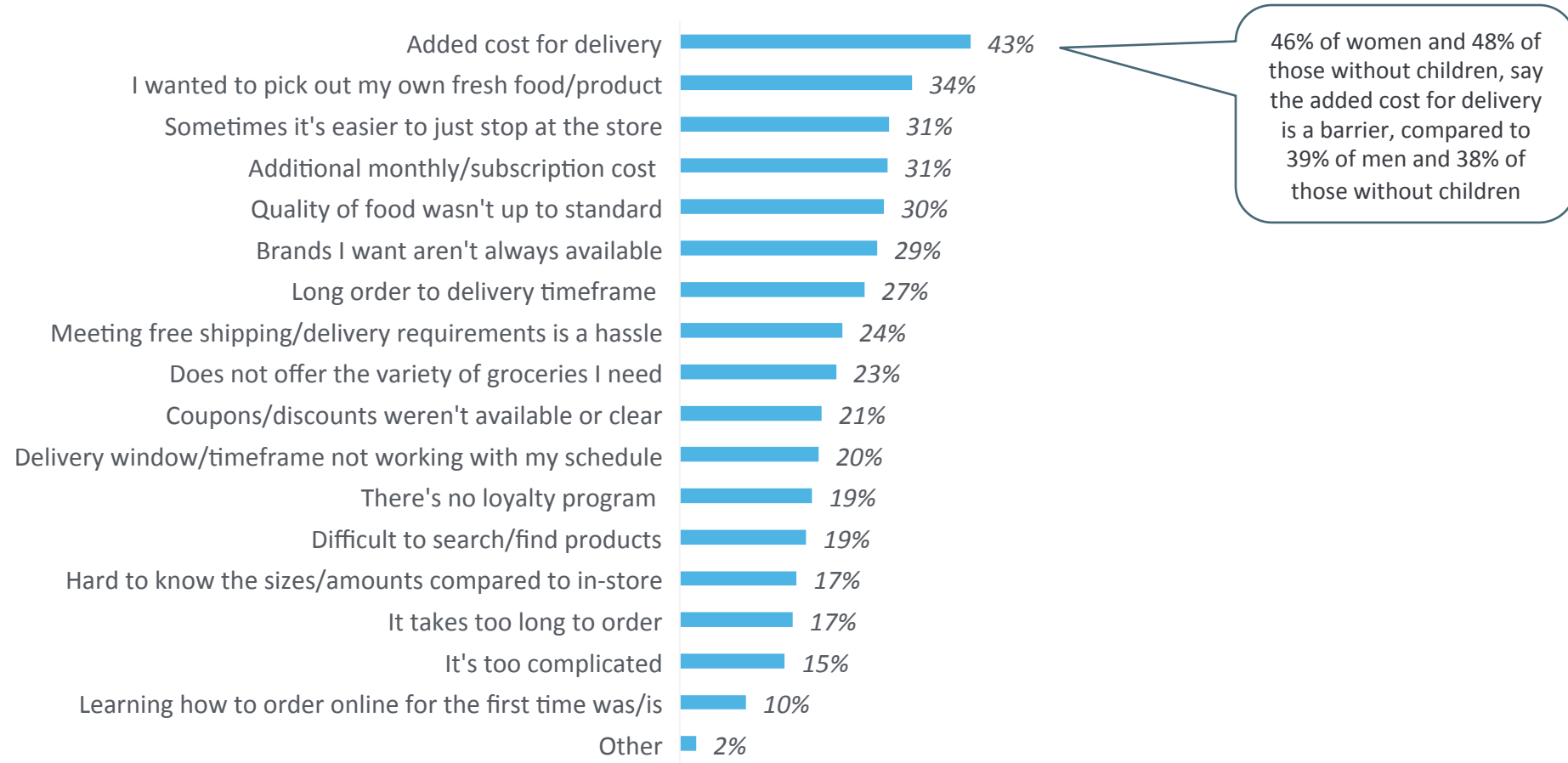
The majority of online grocery shoppers prefer **home delivery**, with almost half preferring it be directly from the store



Which of the following delivery methods do you prefer most?

BARRIERS (n=700)

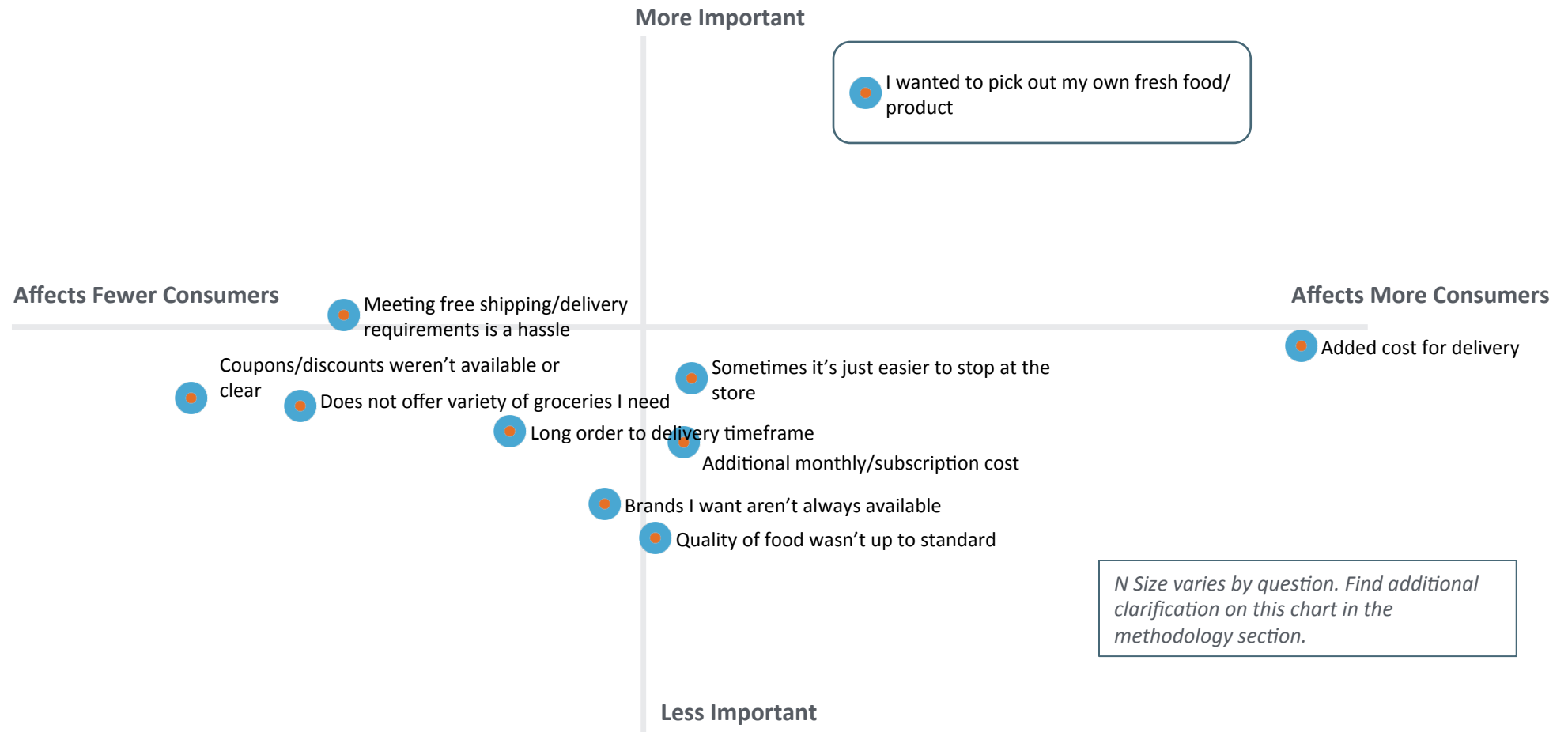
The additional **delivery cost** is the largest barrier for consumers: some more than others



Which of the following has or would prevent you from purchasing grocery food online or purchasing food online more often?

IMPORTANCE & AFFECT OF BARRIERS

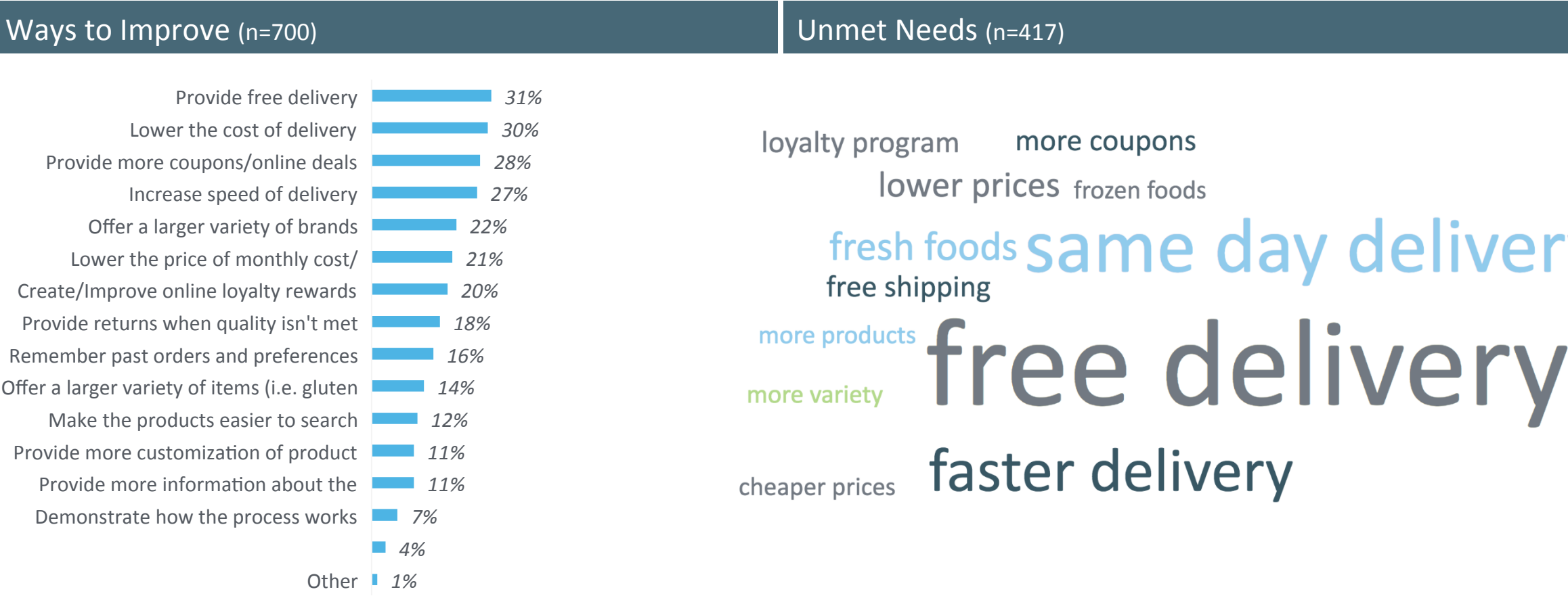
Creating **solutions or alternatives for consumers to pick out their own food online** will likely have the largest impact on encouraging more purchases



Which of the following has or would prevent you from purchasing grocery food online or purchasing food online more often? Among the following things that have or would prevent you from purchasing grocery food items online, please rank the top three that would be the most important to resolve in order for you to continue purchasing grocery food items online (where 1 is most important to solve, 2 is second most important to solve, etc.).

POTENTIAL OPPORTUNITIES

Most improvements and unmet needs pertain to the **delivery and costs associated** with online grocery food shopping



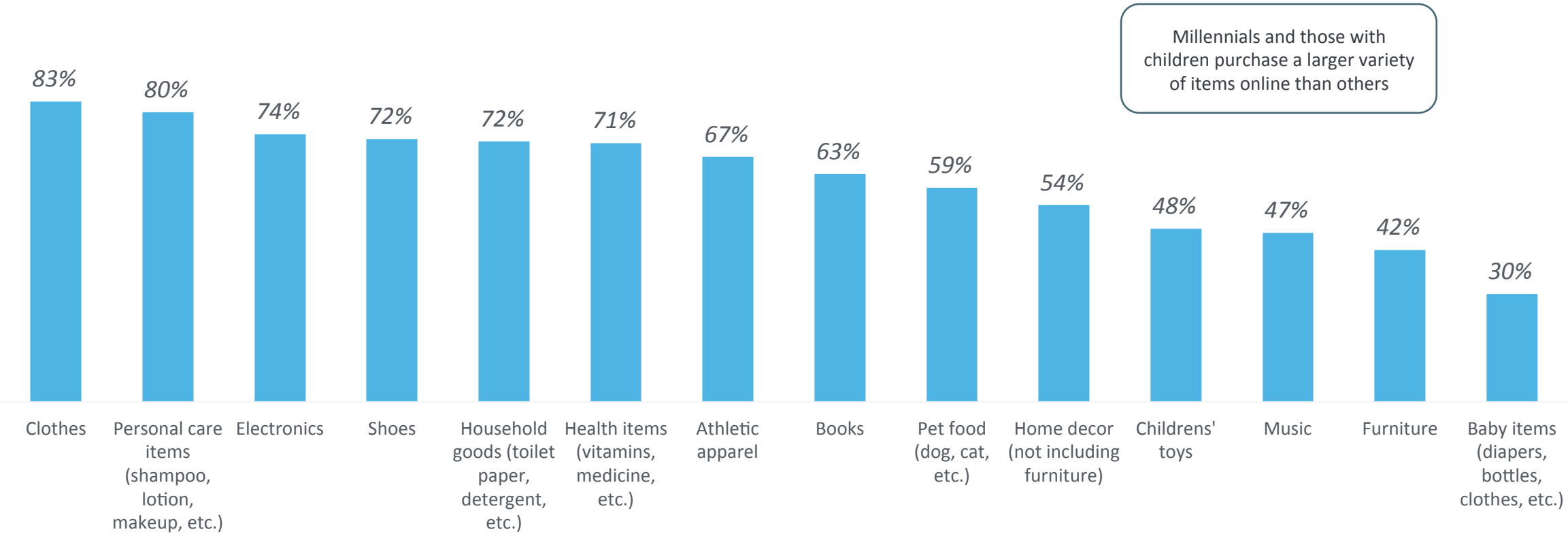
Please select up to 3 improvements, if any, that would increase your satisfaction with your current online grocery food shopping experience.

Thinking about your online grocery shopping experience, what, if anything, would you like this service to be able to do/offer in the future? Please be specific and explain why you'd like that.

SUPPLEMENTAL FINDINGS

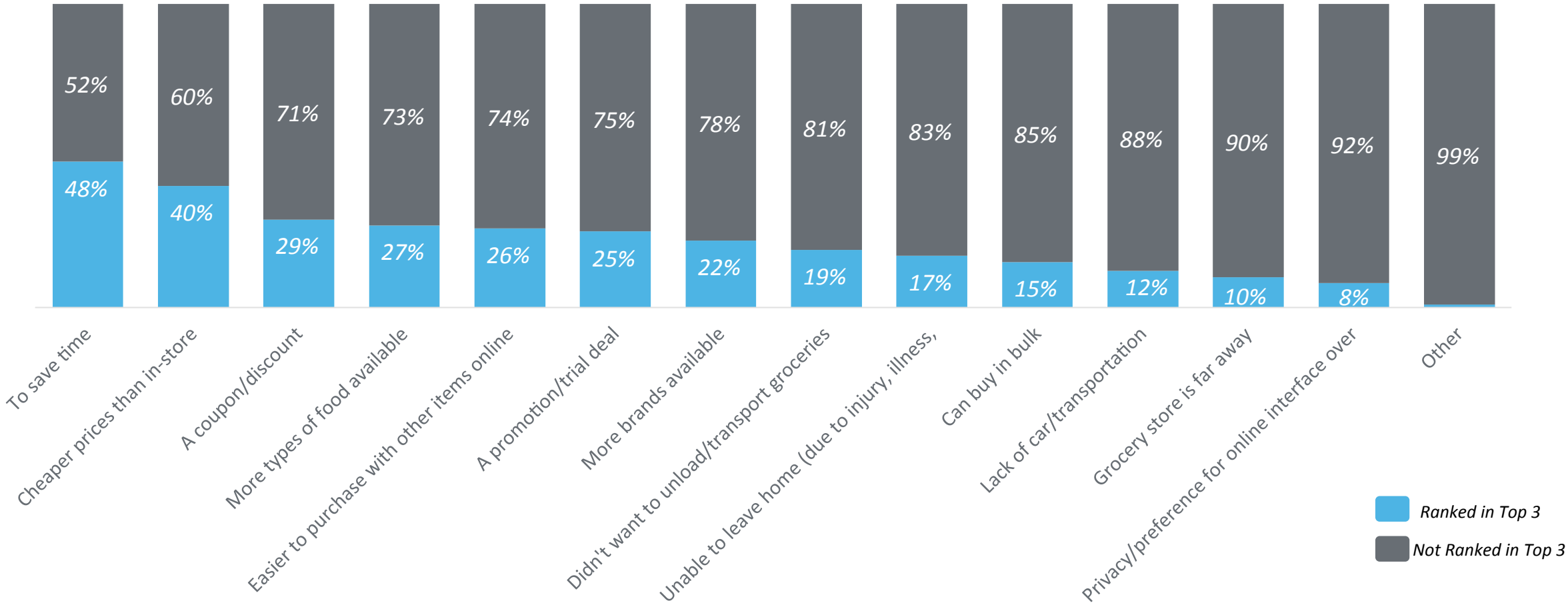
OTHER ITEMS PURCHASED ONLINE (n=700)

In addition to purchasing grocery food online, **consumers are actively purchasing a variety of items:** clothes and personal care goods especially



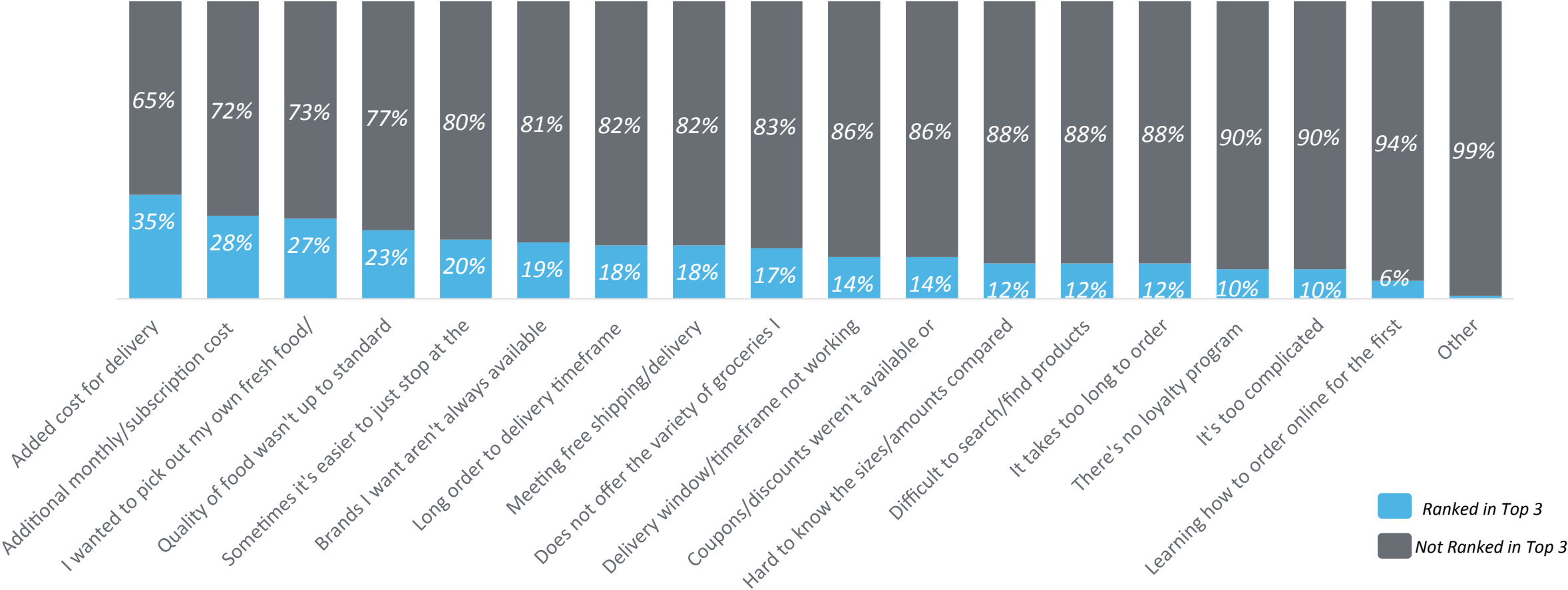
Which of the following items, if any, have you purchased online in the past year?

The **time saving aspect, cheaper prices, and coupons/discounts on a variety of foods** are most important to encourage more online grocery purchases



Among the following, rank the top 3 items that would be most likely to encourage you to purchase grocery food online (where 1 is the thing that would make you most likely to purchase online, 2 is second most likely, etc.).

The costs associated with online grocery shopping are the most important to address, followed by the quality and selection of produce



Among the following things that have or would prevent you from purchasing grocery food items online, please rank the top three that would be the most important to resolve in order for you to continue purchasing grocery food items online (where 1 is most important to solve, 2 is second most important to solve, etc.).

APPENDIX

APPENDIX: SAMPLE DEMOGRAPHICS

Gender	
Male	50%
Female	50%

Age	
13-17	--
18-24	8%
25-35	36%
36-45	27%
46-54	14%
55-65	15%
66+	--

Household Income	
Less than \$20,000	9%
\$20,000 - \$29,999	9%
\$30,000 - \$39,999	11%
\$40,000 - \$49,999	7%
\$50,000 - \$59,999	13%
\$60,000 - \$69,999	8%
\$70,000 - \$79,999	12%
\$80,000 - \$89,999	6%
\$90,000 - \$99,999	5%
\$100,000 - \$124,999	9%
\$125,000 - \$149,999	4%
\$150,000 or higher	6%
I prefer not to say	2%

Region	
Midwest - IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI	22%
Northeast - CT, ME, MA, NH, NJ, NY, PA, RI, VT	20%
South - AL, AR, DC, DE, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, VA, WV	39%
West - AK, AZ, CA, CO, HI, ID, MT, NV, NM, OR, UT, WA, WY	20%

Marital Status	
Single	32%
Married	49%
Divorced	8%
Widower	2%
Separated	2%
Living with Partner	7%

APPENDIX: SAMPLE DEMOGRAPHICS

Location Type	
Urban	36%
Suburban	47%
Rural	17%

Grocery Shopper Responsibility	
I am primarily responsible	100%
I share responsibility about half of the time	--
Someone else is primarily responsible	--

Children in HH	
Yes	50%
No	50%

Child's Age	
Less than 1 year old	10%
1 - 5 years old	39%
6 - 10 years old	46%
11-15 years old	43%
16-17 years old	17%