The Harris Poll
Harris Insights & Analytics, A Stagwell LLC Company

nielsen

The NGA Show
Where Independents Gather

Shopping Independents

A National Survey Defining Real Growth Opportunities

February 2018

A Best in Class Integrated View of Independents

The Nielsen Independent Grocery Shopper Database and Analytics
(See and understand the Past)

Multiple Dimensions of Shopper Behaviors at Independent Grocers

Delivering to the Independent Grocer First Mover Advantage in Shopper Knowledge and Actionability

The Harris Poll Independent Grocery Shopper Annual Survey (2017)
(Crystallize today and the future)

The Nielsen Independents Database and Analytics
(See and understand the Past)

A new asset to develop real growth strategies and capabilities

Household-level window into where and how shoppers shop, and what they purchase

Nielsen Homescan Consumer Panel 100K Households → **Nielsen Independent Grocery Shopper Panel 44K Households**

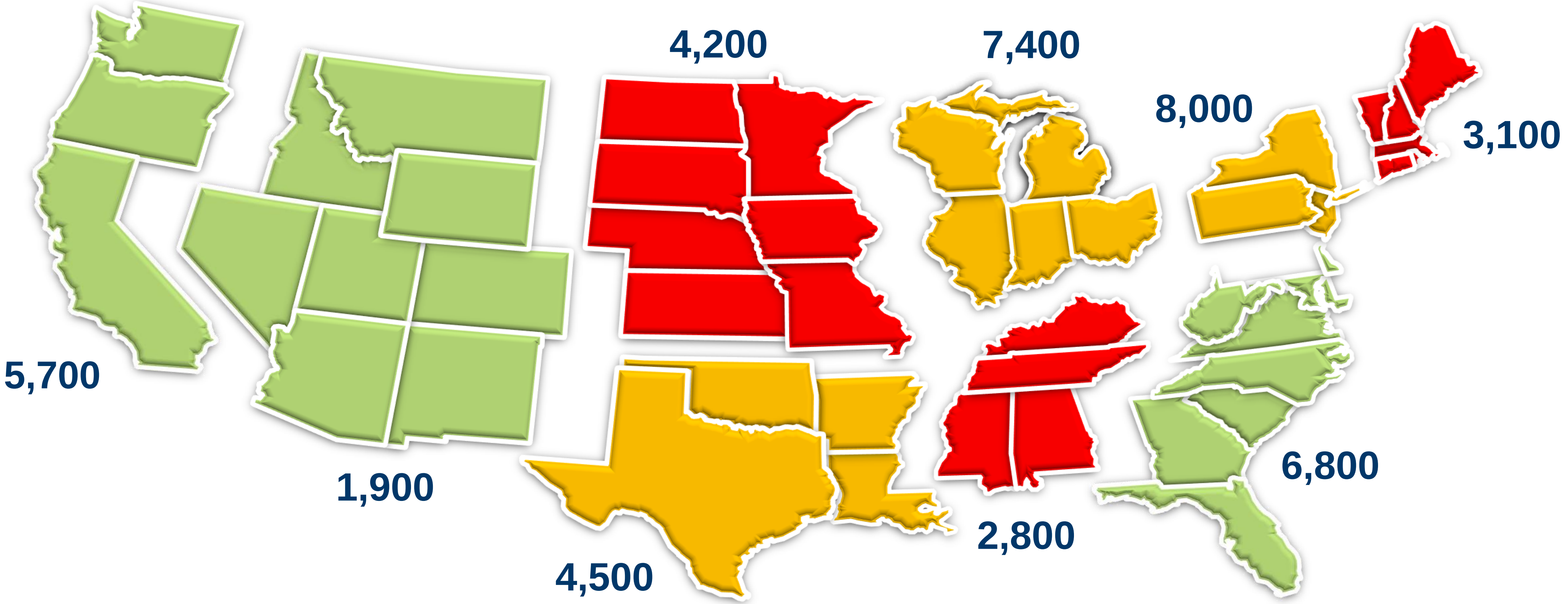
44K Households across Nine US Census Divisions

First ever view of independent grocery shoppers in regional markets

Source: Nielsen Homescan, Total US, 52 weeks ending Q2 2017; Independent shopper defined as 1x+ in 52 weeks; Independent Shopper Share of Wallet defined within Grocery Channel

Windows into competing in your local trading regions

The power to benchmark in your region, multiple similar regions, and nationally



Source: Nielsen Homescan, Total US, 52 weeks ending Q2 2017; Independent shopper defined as 1x+ in 52 weeks;
Sample size by regions

National views do not tell the true power of shoppers at Independents

	% of Grocery Channel Dollars	Household Penetration	Annual Spend	Annual Trips per Household	Average Dollars per Trip
Grocery Channel	100%	98%	$2,376	50.2	$46
Independents	**21%**	**56%**	**$884**	**19.7**	**$44**
All Other Grocery Banners	79%	94%	$1962	40.8	$46

Source: Nielsen Homescan, Total US, 52 weeks ending Q4 2017; Independent shopper defined as 1x+ in 52 weeks

Illustrating the buying power of shopper loyalty at Independents

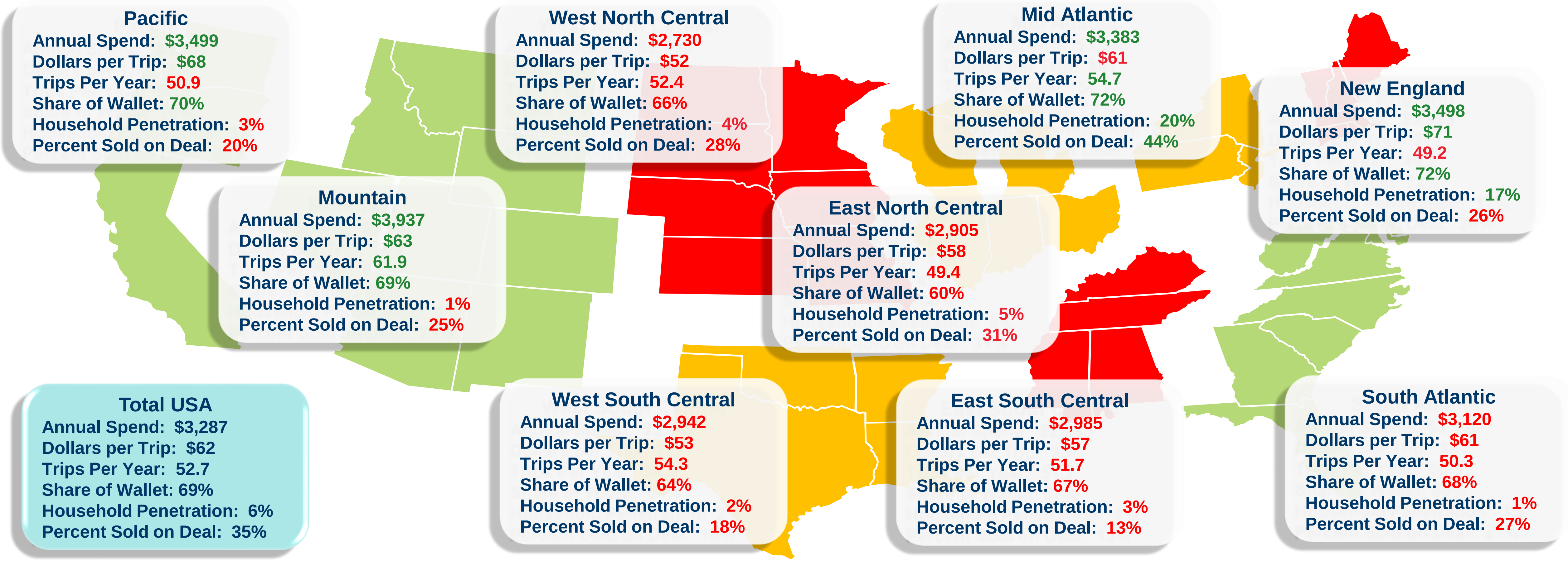
	Independent Shopper (1x+ Shopper)	Independent Shopper w/ 50%+ SOW	Independent Shopper w/ <50% SOW
		More Loyal Households	Less Loyal Households
Share of Wallet of Total Market	13%	69%	11%
Percent of Independent Shoppers	100%	10%	90%
Annual Spend	$884	$3,287	$641
Trips per Household	19.7	52.7	16.5
Dollars per Trip	$44	$62	$38

Source: Nielsen Homescan, Total US, 52 weeks ending Q4 2017; Independent shopper defined as 1x+ in 52 weeks, Share of Wallet defined in Total Outlet Universe

Getting local – the ability to prioritize real growth

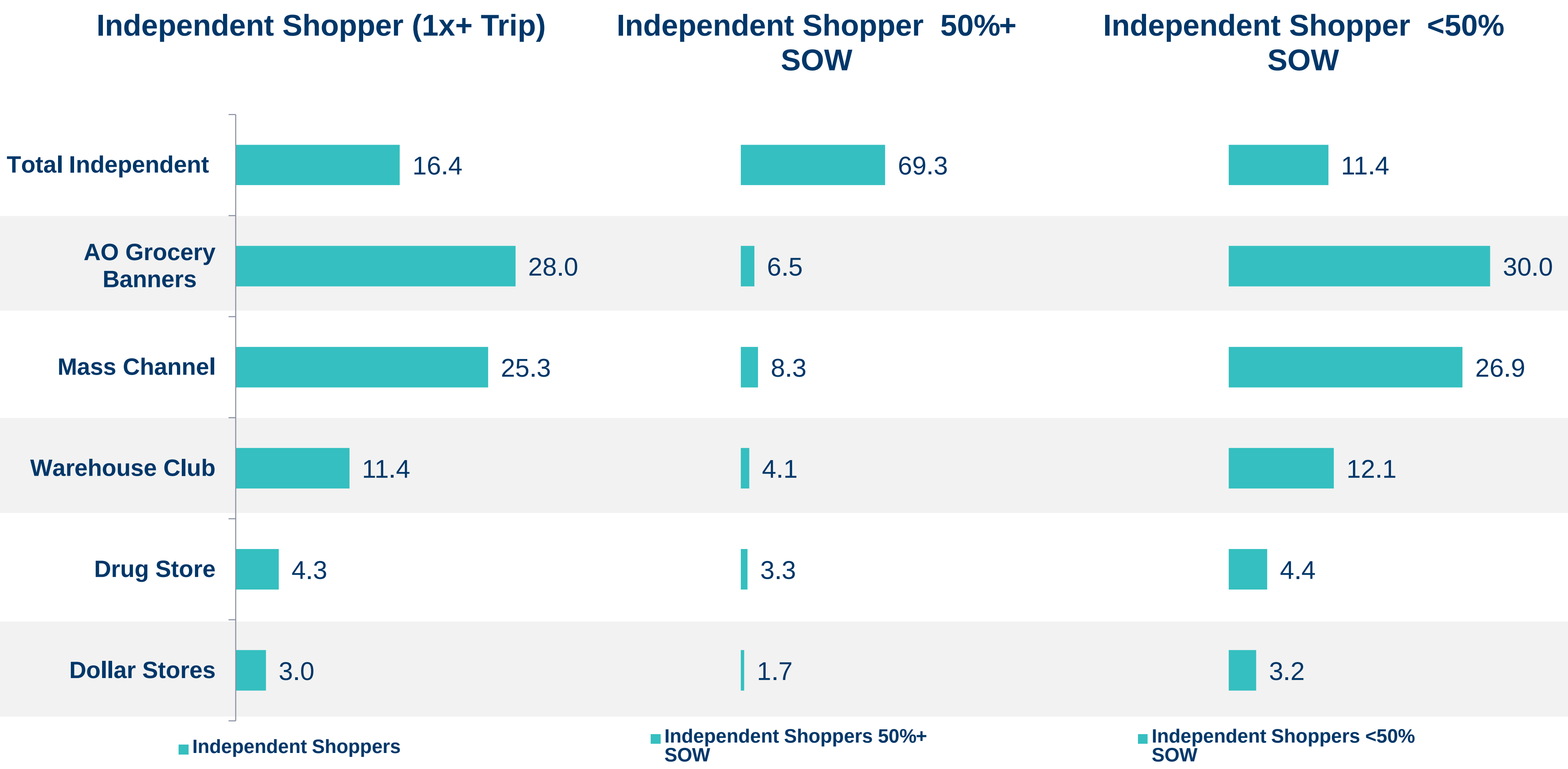
Independent shoppers that spend more than 50% of their dollars in independents

Red text: Lower than total US
Green text: Higher than total US



Source: Nielsen Homescan, 52 week Q4 2017, 50%+ Share of Wallet Households

Less loyal independent shoppers spend in all other grocery, mass and club retailers



Source: Nielsen Homescan, Total US, 52 weeks ending Q4 2017; Independent shopper defined as 1x+ in 52 weeks, Share of Wallet defined in Total Outlet Universe

Independent households dynamics are clear

Independent Shopper Households versus
Overall Grocery Households
Key Demographic Attributes

MIDDLE AGED & OLDER (45+)	***NO CHILDREN IN THE HOME***	**HIGH SCHOOL EDUCATED**
TWO PERSON HOUSEHOLD	**MULTI-CULTURAL**	**EAST & CENTRAL REGION**

Source: Nielsen Homescan, Total US, 52 weeks ending Q4 2017; Independent shopper defined as 1x+ in 52 weeks

How Independent Shoppers spend their time in the store

Perimeter versus Center Store – benchmarking against all other grocery banners

Perimeter strengths among independents vary by region, stronger in the South, East North Central and Mountain

	Total USA	New England	Mid Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
Independents										
% Center Store	63%	64%	66%	61%	62%	60%	60%	59%	61%	61%
% Perimeter	37%	36%	34%	39%	38%	40%	40%	41%	39%	39%
All Other Grocery Banners										
% Center Store	61%	60%	58%	63%	62%	63%	62%	62%	61%	57%
% Perimeter	39%	40%	42%	37%	38%	37%	38%	38%	39%	43%
Independents vs. Grocery Channel Index										
Independent's Center Store vs. Channel	102	105	106	98	101	96	97	95	99	105
Independent's Perimeter vs. Grocery	96	93	91	104	98	107	105	108	101	93

Source: Nielsen Homescan, 52 week Q4 2017 Center Store includes Dry Grocery, Frozen, Dairy, Non-Foods, HABA, GM, Independent shopper defined as 1x+ in 52 weeks

Engaging the most loyal Independent shoppers (90%+ SOW)

Where and how to target and maximize marketing spend

There are clear shopper engagement strategies based on loyalty to independents

Radio Stations	Magazines Read	Websites Visited	Newspapers Sections Read
Any AM	Coastal Living	MapQuest.com	Sunday/Weekend Newspaper: International/National News
SiriusXM (Any Satellite)	Real Simple	LinkedIn	Weekday Newspaper: International/National News
News/Talk	Consumer Reports	TripAdvisor.com	Sunday/Weekend Newspaper: Circulars/Inserts/Fliers
Sports	American Way	AOL Mail	Sunday/Weekend Newspaper: Sports
All News	Cooking Light	Travelocity.com	Sunday/Weekend Newspaper: Entertainment/Lifestyle
Classical	Bon Appétit	Yahoo! Finance	Weekday Newspaper: Entertainment/Lifestyle
Adult Hits		Orbitz.com	Sunday/Weekend Newspaper: Food/Cooking
Soft Adult Contemporary		Shutterfly	Weekday Newspaper: Editorial Page
AAA		MSN Money	Sunday/Weekend Newspaper: Editorial Page
Jazz			Sunday/Weekend Newspaper: Business/Finance
			Sunday Mag/Net Carrier Newspapers: Any Issues Read

Source: Nielsen Spectra, Independent Shopper 90%+ SOW Profile View

The Harris Poll Independents Annual Survey (2017)

(Crystallize today and the future)

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Objectives and Methodology

Objectives

The National Grocers Association has historically conducted a national survey of grocery shoppers and presented the results to its members at *The NGA Show*.

Past research has been considered a definitive snap shot of the state of the Independent Grocery industry.

The focus of the survey include the following:

- **Concentrating on actionable findings:** We want to provide guidance to retailers about consumer attitudes, communication channels and other *concrete steps* they can take to help their businesses grow.
- **Identify future trends:** instead of using the survey as a snapshot of the current state of the industry, we want to identify future trends that impact business operations for NGA members.
- **Highlighting areas of differentiation across the nine US regions**
- **Identify changes from last year**
- **Present the data in exciting new ways**

Who We Talked To

- ✓ *3008* **U.S. Adults, 18 years and older**
- ✓ **A** ***regional level representation*** **versus a nationally representative sample**
- ✓ **Shoppers who self-identify as spending** ***50% or more of their grocery shopping*** **at an independent grocery store**

- **Surveys conducted online**
- **Duration: ~23 minutes**
- **From Nov. 13 – Dec. 8th, 2017**

Note: Data weighted to represent the U.S. general population, age 18 and over

Executive Summary

Independents: Taking Action

TOPIC	FINDINGS	ACTION STEPS
Satisfaction with Primary Store	• ***Satisfaction is high among shoppers***; almost 2 in 3 are very satisfied and nearly 9 in 10 are at least fairly satisfied. • ***Convenience, followed by price, are the two main factors*** drawing consumers to their local supermarket. Location, and price, are also the key reasons a shopper might switch. • ***Only 14% have switched supermarkets in the past year***. Most would continue to shop at their local store even if prices increased by 5%, and the vast majority have no plans to switch in the coming year.	• ***Price and convenience are top considerations***. But there are other steps you can take that are more manageable like quality and personal service to ensure that customers remain satisfied.
Drivers of Satisfaction	• The primary drivers of satisfaction are: ***low prices, quality meats and produce, and quick problem resolution***. • Secondary drivers include: ***friendly staff, easy-to-navigate layout, community support, cleanliness, and customization***.	• ***To drive satisfaction even higher, focus on core competitive strengths like quality, staff, and layout***. Offering fair prices and quicker problem resolution will also continue to build satisfaction and loyalty.

Independents: Taking Action

TOPIC	FINDINGS	ACTION STEPS
Trade Off Analysis	• When considering where to shop for groceries Independents value: ***low prices, quality meats and produce, friendly staff, cleanliness, and offering locally grown produce and other packaged goods.***	• Focus on ***price and selling quality produce and meats***, these are the most important to Independent shoppers across all of the 9 census regions. • There are ***aspects of the shopping experience that are of higher importance based on region***. Take a customized approach by tailoring your efforts to what is most important to your region.
Business Impact	• Local supermarkets ***perform well on most key drivers especially quality, staff and layout***, but do not fare nearly as well for price and resolving problems. • ***Over 8 in 10 shoppers prefer their local store to an online alternative***; and nearly three-quarters are willing to advocate and recommend.	• Higher satisfaction leads to a greater likelihood your customers will speak positively on your behalf, recommend you, and continue to choose you over any online or offline alternatives.

Independents: Taking Action

TOPIC	FINDINGS	ACTION STEPS
E-Commerce	• ***Online grocery shopping has yet to catch on for Independents***. (only 11% shop online today). For those who do, consumers use online grocery shopping more as a supplement to the store, not a replacement. In fact, they still make most of their purchases at the brick-and-mortar location. • Convenience is the main rationale for shopping online for groceries, while the need for sight is the biggest barrier. And delivery is far more popular than "click and collect." • Not many rate their local store's technology (website/app) very well, and don't seem to find the same products or prices online as offline. • Most would like fees in the $0-5 range (lower for click and collect than delivery), but even offering a reasonable fee does not appear likely to change behavior. • That said, about 3 in 10 anticipate an uptick in their online grocery shopping over the next five years.	• ***Increase e-commerce investments in a targeted fashion***, focusing on 'target markets' that make sense. • Emphasize the benefit of convenience and keep fees low and consistent. • Do research and make changes to improve the online modes (website/app) to become more user-friendly. • Find a strategy to address concerns about sight and freshness. High quality, fresh food at no additional cost = table stakes for e-commerce.
Fresh Foods & Prepared Foods	• ***Produce is the most important fresh food***, while the top preferences for prepared foods are split between entrees, side dishes and salads. • For both fresh and prepared foods, shoppers care most about freshness and appearance. • Similar to last year Independent shoppers more than any other group say it's very important for prepared food to be prepared fresh every day.	• ***Pay close attention to freshness and appearance***. This is a clear place to differentiate from the competition. No traits matter more with fresh and prepared foods; freshness is one key reason consumers return to the store.

Independents: Taking Action

TOPIC	FINDINGS	ACTION STEPS
Nutrition	• Local supermarkets can – and should **– *support shoppers in healthy eating and living***, according to consumers. • Similar to last year, consumers recommend shelf tags, organics, a wider assortment and foods for special diets to help consumers lead healthier lives. • Many would also welcome instruction on how to cook certain foods and on label reading. • Most would prefer healthy foods alongside other foods, not in their own special section.	• Consumers expect action from supermarkets. ***Help shoppers live healthier lives*** by offering solutions like shelf tags and a greater array of options (organics, food for special diets). • Provide tangible guidance on food (cooking and label reading) to ensure that shoppers make the best choices and receive the best nutritional value for the money. • Whenever possible, these items should be provided at *no cost* to the shopper.
Purchase Behavior	• Approximately ***two in ten shoppers say that their beef, seafood, deli and bakery purchases*** have decreased. • Changes in purchasing specific foods have to do more with diet and price than anything else and a many of these shoppers do not have plans to replace these items.	• Shoppers ***are most sensitive when it comes to the price of seafood***…avoid price increases and run deals on seafood. • For those that have moved away from beef due to diet, find healthier solutions within category or find ways to improve selection in other areas like produce, poultry, and other alternatives.

Independents: Taking Action

TOPIC	FINDINGS	ACTION STEPS
Future Outlook	• A ***price increase of 5%*** to Independent shopper's weekly shopping basket, will cause nearly ***two in ten (19%) to leave*** their local supermarket. A 10% price increase will have nearly six in ten (58%) of shoppers looking for another place to do their grocery shopping.	• ***Carefully manage price increases***, but if it has to be done the realistic threshold is most likely in the 2-3% range. Develop a prioritized category specific price increase strategy.
Sources of Information	• Half don't use social networking tools to gain information on food. • But for those who do, Facebook is the pre-eminent source.	• Given the importance (and growth) of social media to half the population, you can't afford not to be online. ***Develop an affordable Omnichannel capability set where on-line growth is fully integrated.***

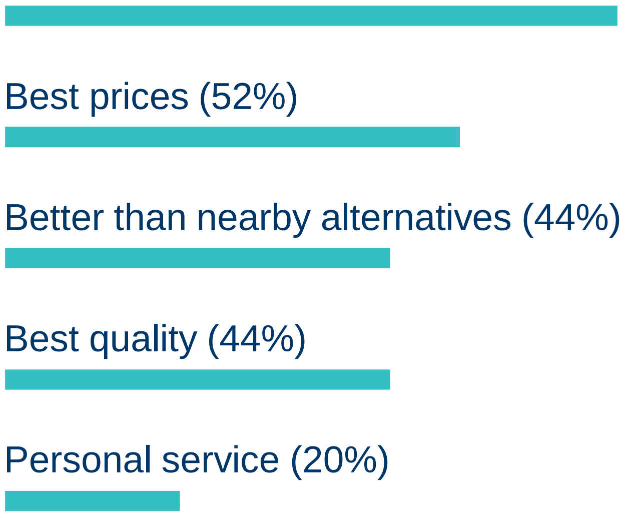
Satisfaction with Independents

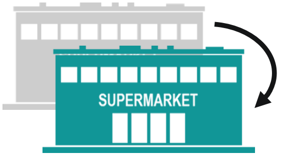
Convenience tops list of reasons to shop locally, followed by price

Loyalty is common; only 14% have switched in past year

Spend at least 50% more at an **Independent store**

Reasons to Shop at Independents



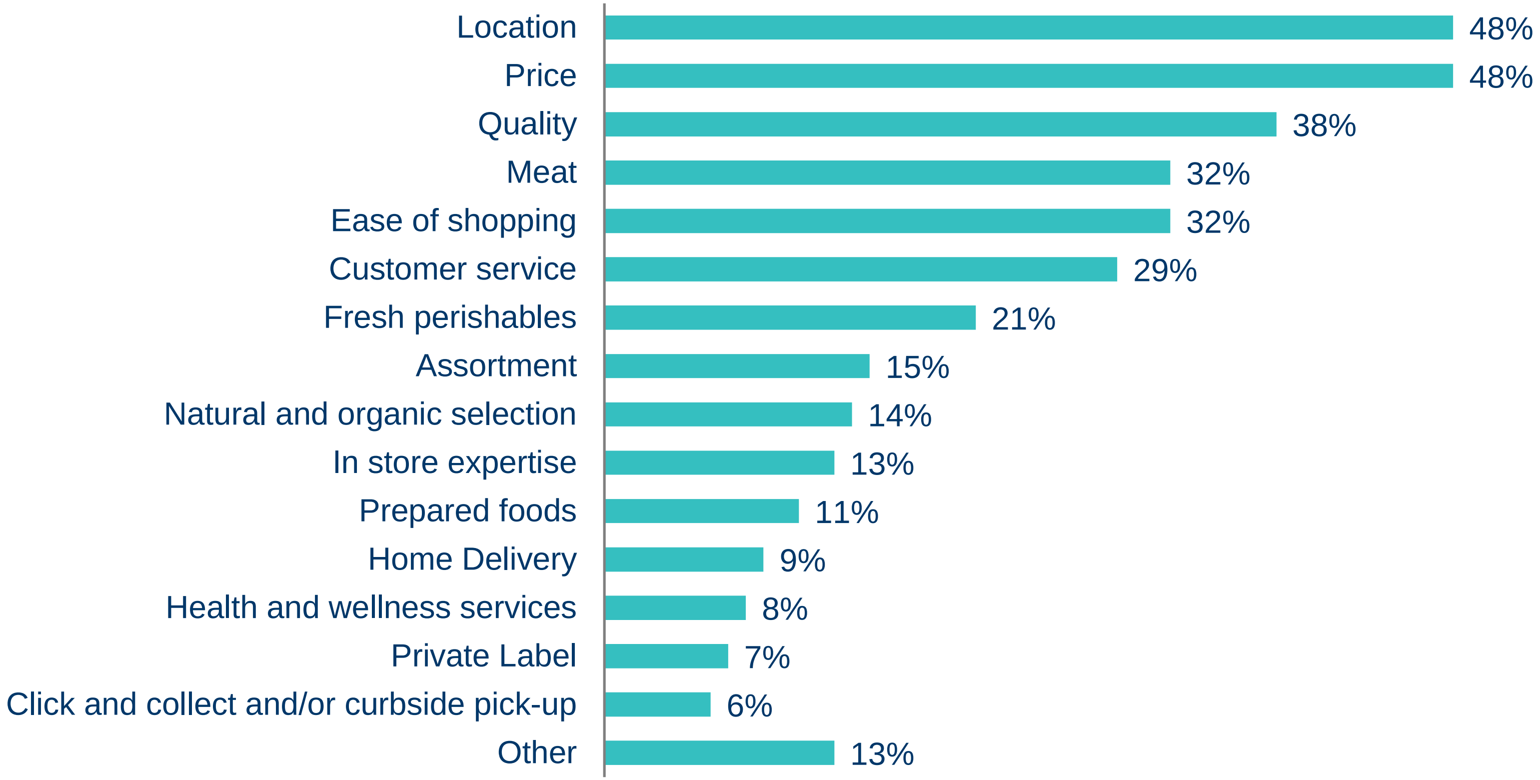


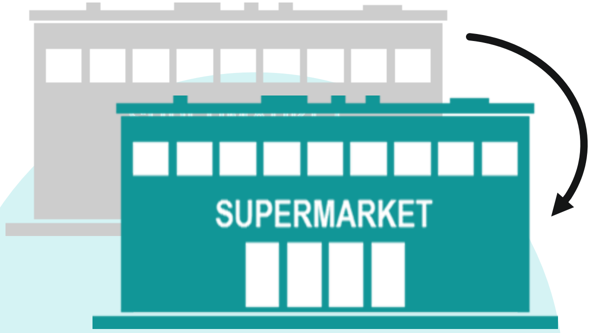
14% **Switched local supermarkets in the past 12 months**

BASE: ALL QUALIFIED RESPONDENTS (Total n=3008)
SQ309 Do you spend at least 50% or more of your grocery shopping at an independent grocery store?
BASE: SPEND 50% OR MORE OF GROCERY SHOPPING AT INDEPENDENT GROCERY STORE (n=3008)
SQ310 Why do you shop at your local supermarket? Please select all that apply.
BASE: SPEND 50% OR MORE OF GROCERY SHOPPING AT INDEPENDENT GROCERY STORE (n=3008)
SQ311 And, have you switched local supermarkets in the past 12 months?

Location and price are also key factors that prompt switch
Food options are less salient, like meat, perishables, organic food, and prepared food

Factors Influencing the Switch





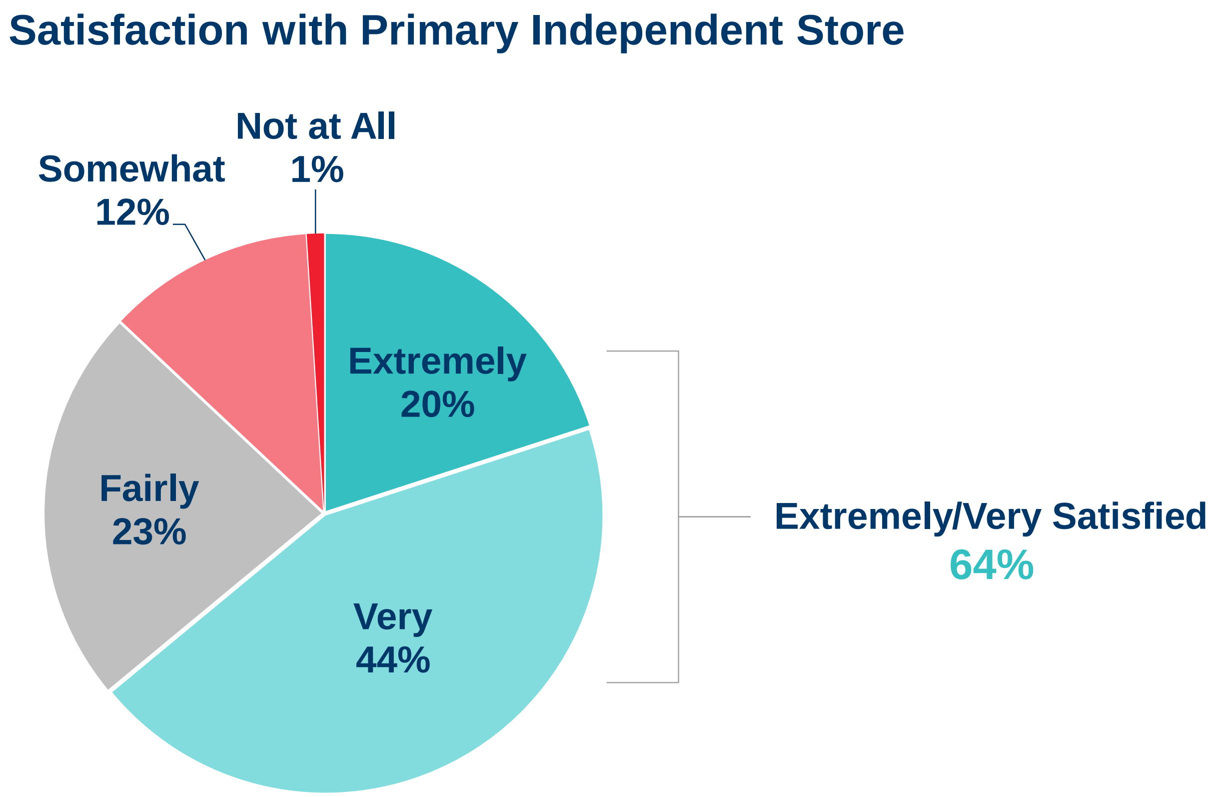
Top Key Factors

- Location
- Price

BASE: SWITCHED LOCAL SUPERMARKET IN PAST 12 MONTHS (Total n=364)

SQ313 You indicated that you have switched your local supermarket in the past 12 months. What Factors influenced this switch?

Satisfaction is high for independents primary store
Nearly 2 in 3 consumers are very or extremely satisfied



BASE: ALL QUALIFIED RESPONDENTS (Total (n=3008)
Q1 All things considered, how satisfied are you with the job your local supermarket is doing to satisfy your needs?

Drivers of Shopping Satisfaction at Independents

Cleanliness is the key trait associated with independents

Friendly employees and an easy-to-use layout are also common characteristics

Perceptions about Local Supermarket – Top Responses

Scores of 6 or 7 on a 7-point agreement scale where
7 = Describes very well and
1 = Does not describe well

Experience
Product

BASE: ALL QUALIFIED RESPONDENTS; Total (n=3008)

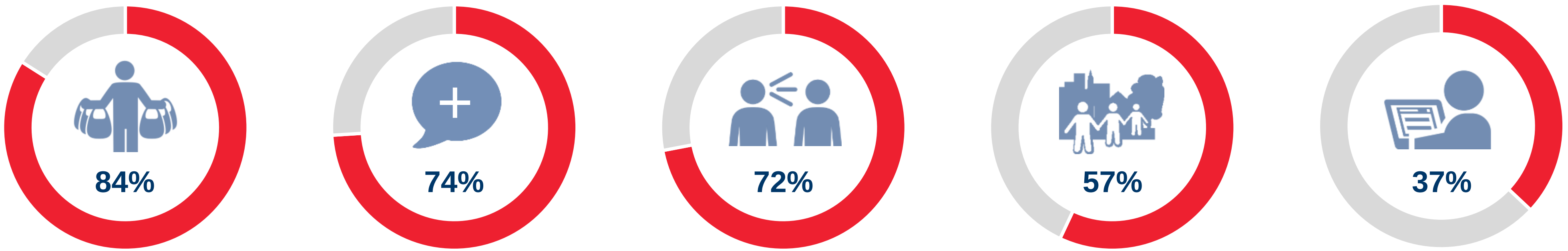
Q2 Thinking about your current grocery shopping experience, please tell us how well each of the following statements describes your local supermarket.

Over 8 in 10 prefer their independent store to an online option

Almost three-quarters are also willing to advocate for and recommend their local supermarket

Supportive Behaviors

Scores of 6 or 7 on a 7-point scale where 7 = Extremely likely and 1 = Not at all likely



	Continue to shop at the store instead of shopping online	**Speak positively** about the local supermarket	**Recommend** the local supermarket to others **through word of mouth**	**Support** the local supermarket because it is linked to the **community** through employees, local programs, and community donations	**Recommend** the local supermarket to others **through social media**
TOTAL Respondents	84%	74%	72%	57%	37%
Shoppers who are EXTREMELY/VERY SATISFIED with their independent store	92%	89%	87%	69%	46%

BASE: ALL QUALIFIED RESPONDENTS (Total (n=3008)

Q4 And still thinking about your local supermarket, how likely are you to do each of the following?

Satisfaction matters because it drives business supportive behaviors

This drivers analysis pinpoints the attributes that have the highest impact on your customer's satisfaction and with increased satisfaction comes a higher likelihood your customers will have these desired behaviors that drive business.

The key objective of the analysis for this research is to provide NGA with:

- a framework for understanding independents satisfaction
- a prioritized path for increasing satisfaction and the outcomes it affects (advocacy, benefit of the doubt, etc.)

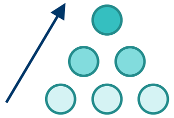
ATTRIBUTES → **SATISFACTION** → **OUTCOMES**

ATTRIBUTES

Analysis to determine which attributes were statistically significantly related to local supermarket satisfaction.

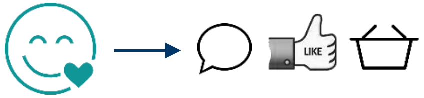
SATISFACTION

Analysis to provide an assessment of the relative importance of these attributes in driving overall satisfaction.



OUTCOMES

Analysis of independent shoppers to find out which behavioral outcomes (advocacy, benefit of the doubt, etc.) they are most likely to do if they have a high level of satisfaction.



Key areas that most drive satisfaction for Independents include: low prices, efficient customer service, and quality meats and produce

Primary Attribute Drivers

- Features low prices
- Store resolves shopping /product/service issues immediately
- Sells high quality meats
- Sells high quality fruits & vegetables

Secondary Attribute Drivers

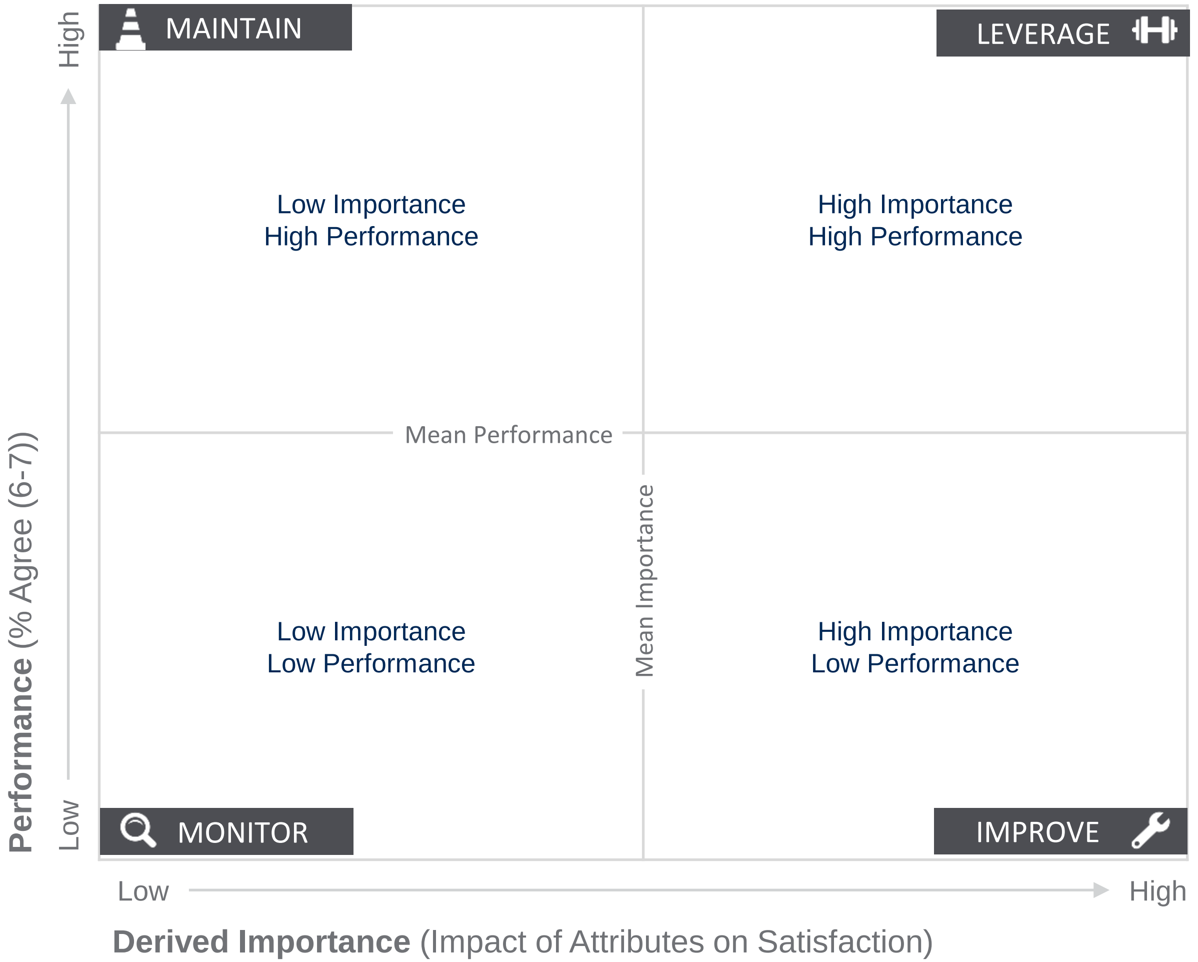
- Has courteous, friendly employees
- Has a store layout that makes it easy for me to shop
- Pays attention to customers' special requests or needs
- Is active in and supports our local community
- Is a clean, neat store

Behavioral Outcomes for Independent Shoppers

- Continue to shop at the store instead of shopping online
- Speak positively about the local supermarket
- Recommend the store to others through word of mouth
- Support the local supermarket because it is linked to the community through employees, local programs, and community donations
- Recommend the store to others through social media

Independent shoppers who are very, extremely satisfied are **92%** extremely likely to continue to shop at the store instead of shopping online, **89%** extremely likely to speak positively about the store, **87%** extremely likely to recommend the store to others through word of mouth. These shoppers also have a higher likelihood to act on these behaviors compared to national chain shoppers.

Importance vs. Performance

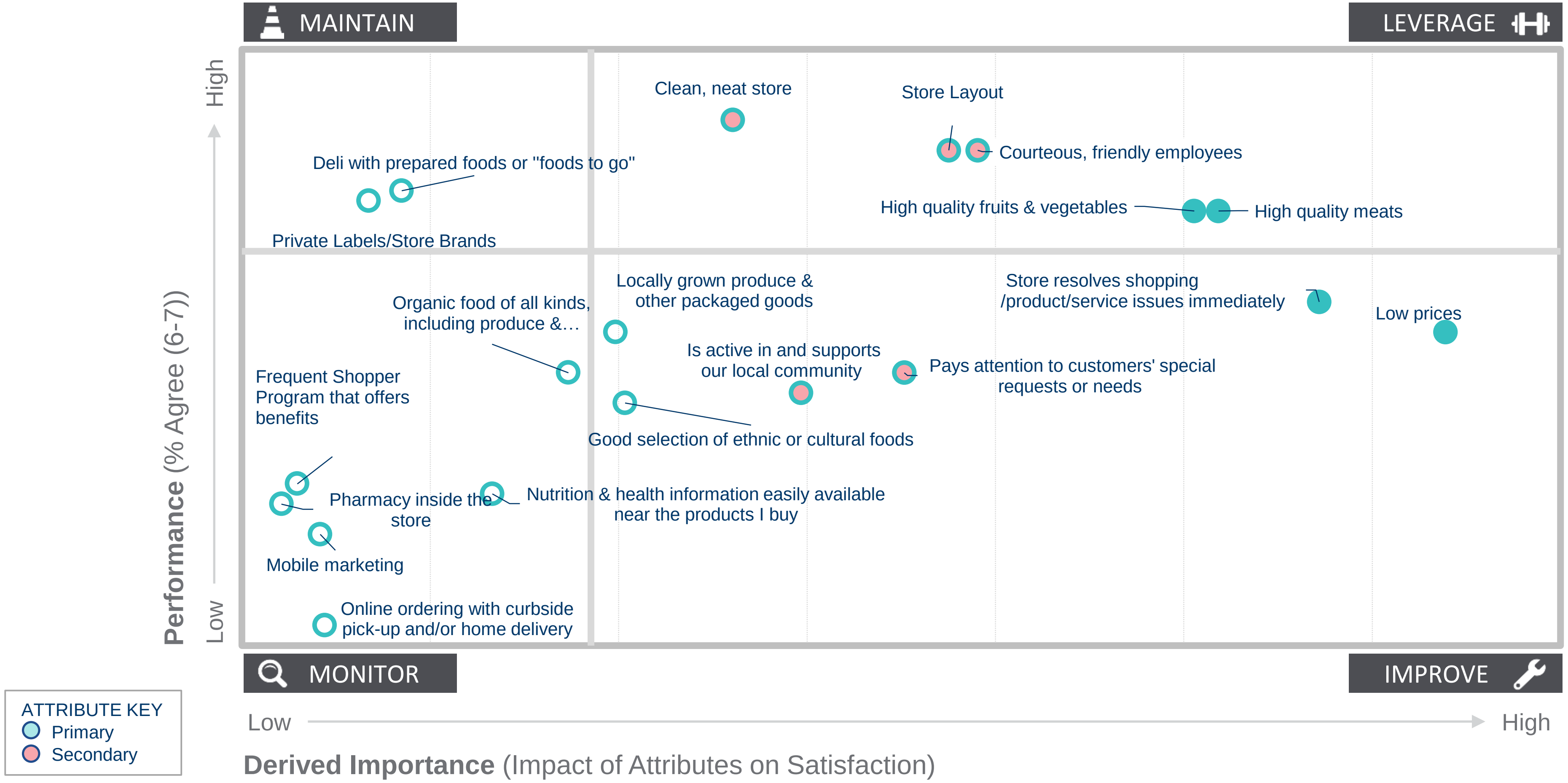


Independents – Shopping Attribute Map

Impact of Attributes & Performance

Independents perform well on strong drivers of satisfaction like *quality meats and produce, friendly employees,* and *easy-to-navigate layout.*

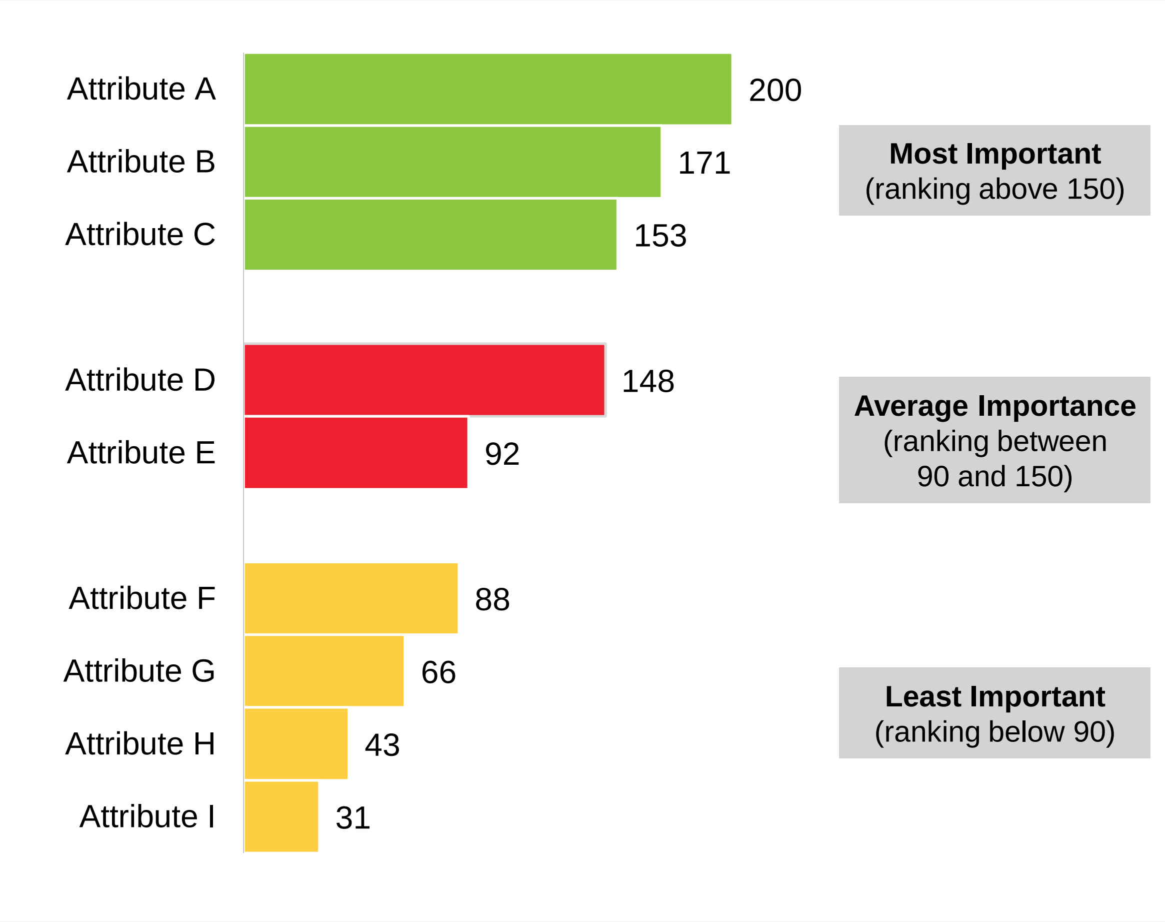
But, there is room to improve other key attribute drivers like *low prices* and *quick problem resolution,* which will offer a lift to customer satisfaction.



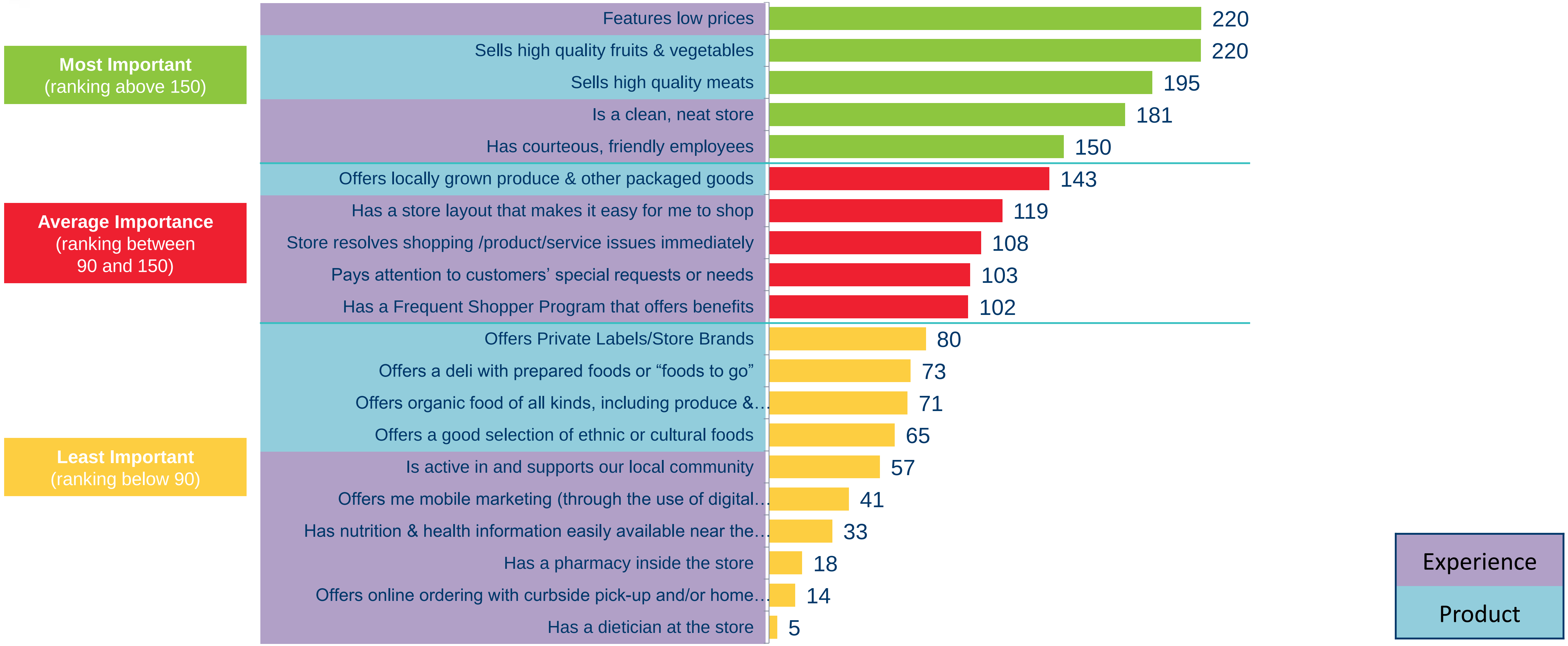
Trade Off Analysis for Shopping Experience and Product Attributes

What Is Maximum-Difference (MaxDiff) Scaling?

- Maximum difference preference scaling is a **trade-off approach** that provides a means of estimating consumer preferences for each of several features or benefits
- Category importance ratings are measured using a forced-choice method referred to as Maximum Difference Scaling.
- From their choices, we get a clearer understanding of what the audience **really values**.
- Responses lead to individual-level importance scores that differentiate strongly between what matters and “what is nice to have”.
- Typically, the first step in a max-diff analysis is to translate the raw data into a relative ranking index which is scaled to get an “average” ranking.
- This works more clearly than rating scales, where all items can be rated as having the same importance.



Independent shoppers value price, quality and local items, a clean store with an easy layout and friendly employees the most



BASE: ALL QUALIFIED RESPONDENTS (Total n=3008)
Q6 Please indicate which of the following considerations will be most important and which will be least important when you are shopping for groceries over the next 12 months.

Full Census View – Trade Off Analysis showing differentiation for 6 most important attributes

	Total	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
Features low prices	220	➡ 230	➡ 225	➡ 223	➡ 227	205	➡ 233	215	217	215
Sells high quality fruits & vegetables	220	➡ 227	218	➡ 222	➡ 221	212	210	➡ 222	214	➡ 226
Sells high quality meats	195	194	189	194	➡ 210	➡ 198	➡ 207	➡ 206	189	187
Is a clean, neat store	181	181	178	➡ 183	➡ 190	177	➡ 191	➡ 185	179	180
Has courteous, friendly employees	150	149	137	➡ 153	➡ 167	148	➡ 168	➡ 160	➡ 158	144
Offers locally grown produce & other packaged goods	143	151	137	➡ 144	133	137	140	141	➡ 149	➡ 157
Has a store layout that makes it easy for me to shop	119	123	117	125	139	109	116	119	116	115
Store resolves shopping /product/service issues immediately	108	117	107	106	116	116	116	106	107	97
Pays attention to customers' special requests or needs	103	104	96	101	105	115	115	108	114	92
Has a Frequent Shopper Program that offers benefits	102	122	127	99	91	99	84	77	96	94
Offers Private Labels/Store Brands	80	78	81	80	85	71	96	86	69	82
Offers a deli with prepared foods or "foods to go"	73	63	76	80	83	71	66	64	69	71
Offers organic food of all kinds, including produce & packaged	71	60	68	66	44	86	44	69	77	96
Offers a good selection of ethnic or cultural foods	65	49	62	70	44	65	47	64	60	89
Is active in and supports our local community	57	46	51	59	59	54	59	70	70	56
Offers me mobile marketing	41	46	50	39	34	41	49	35	41	36
Has nutrition & health information easily available near the products I buy	33	25	39	27	28	38	25	36	37	33
Has a pharmacy inside the store	18	18	19	14	13	27	15	22	23	12
Offers online ordering with curbside pick-up and/or delivery	14	13	17	12	10	22	13	11	11	13
Has a dietician at the store	5	5	5	4	3	10	5	4	5	5

➡ Blue arrow indicates areas where region is higher than the national average for 6 most important attributes

Most Important (ranking above 150)

Average Importance (ranking between 90 and 150)

Least Important (ranking below 90)

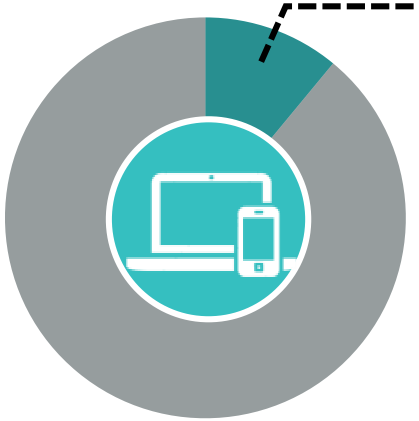
Experience

Product

E-Commerce

Similar to last year, online shopping is uncommon in the United States

Only about 1 in 10 shop for groceries online, convenience being the main incentive



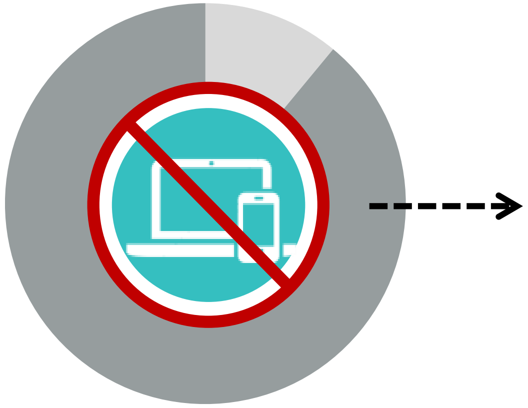
11% Shop for Groceries Online

Reasons for Shopping Online

BASE: ALL QUALIFIED RESPONDENTS (Total (n=3008))
Q8 When shopping for groceries, do you ever shop online?
BASE: SHOPS ONLINE (n=284)
Q10 Why do you shop for groceries online? .

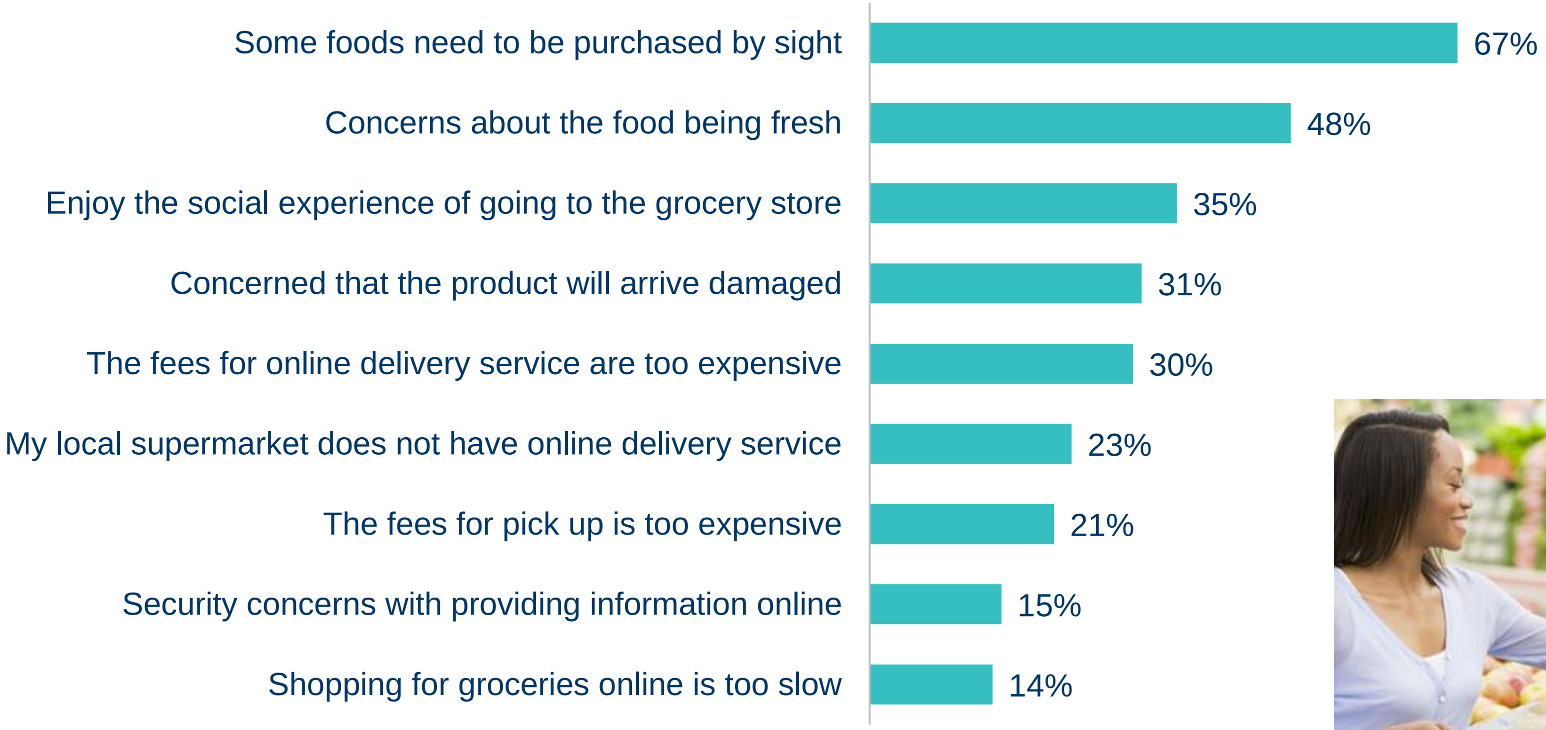
The key barriers are the necessity of sight when purchasing food

Concerns about freshness are also a perceived obstacle for nearly half of consumers



89% Do Not Shop for Groceries Online

Reasons for Not Shopping Online



*Reasons above 10% are shown

BASE: ALL QUALIFIED RESPONDENTS (Total (n=3008))
Q8 When shopping for groceries, do you ever shop online?
BASE: NO TO SHOPPING ONLINE (n=2724)
Q11 Why don't you shop for groceries online? Please select all that apply.

Food delivery is much more common than "click and collect"

The majority of online shoppers pay a fee each time food is delivered

When shopping for food online do you typically…

Have the food delivered to your home...

for a fee each time	unlimited times for a monthly fee
64%	12%

Pick the food up from the store ("click and collect")...

for a fee	for free
13%	26%

Base: Shops Online (Total (n=284)

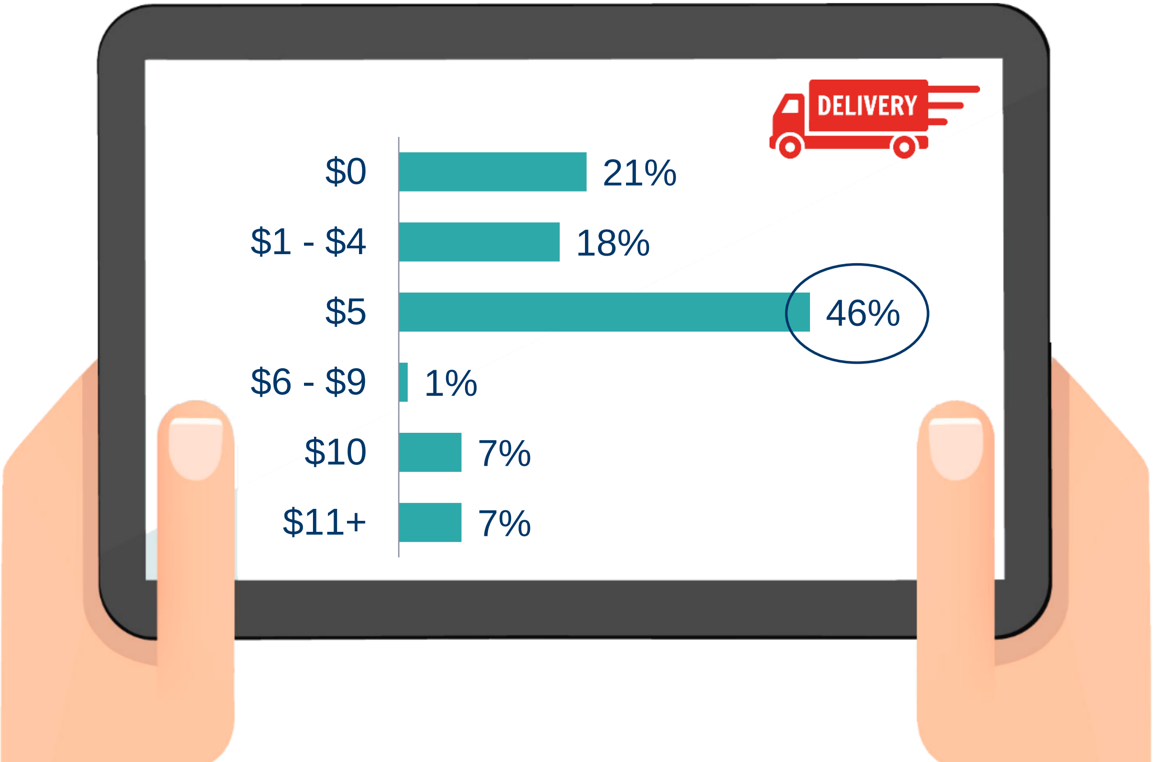
Q9 When shopping for food online do you typically...

1 in 2 consumers (who view delivery prices as too high) think $5 is a fair price

However a more reasonable fee would have little influence on their use of the service

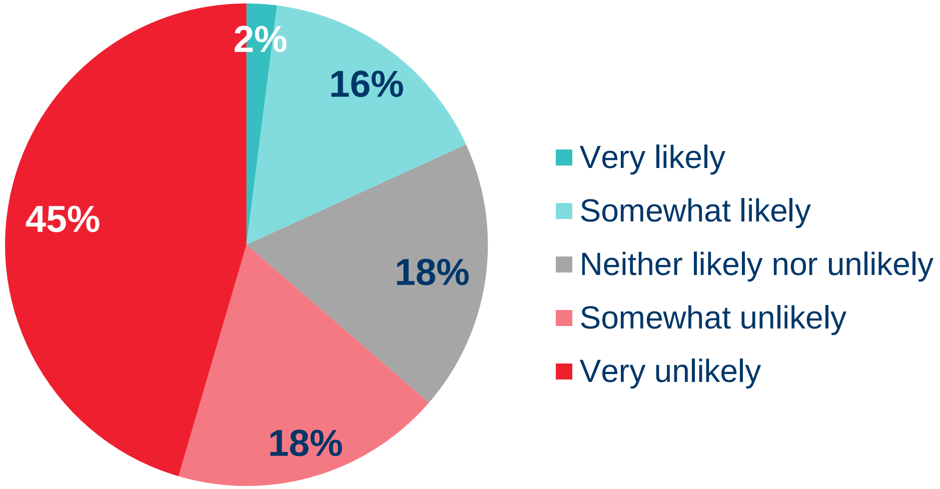
What Should Be the Fee for Online Delivery?

Among those who feel fee is too expensive



How Likely to Shop Online if Delivery Were Reasonable?

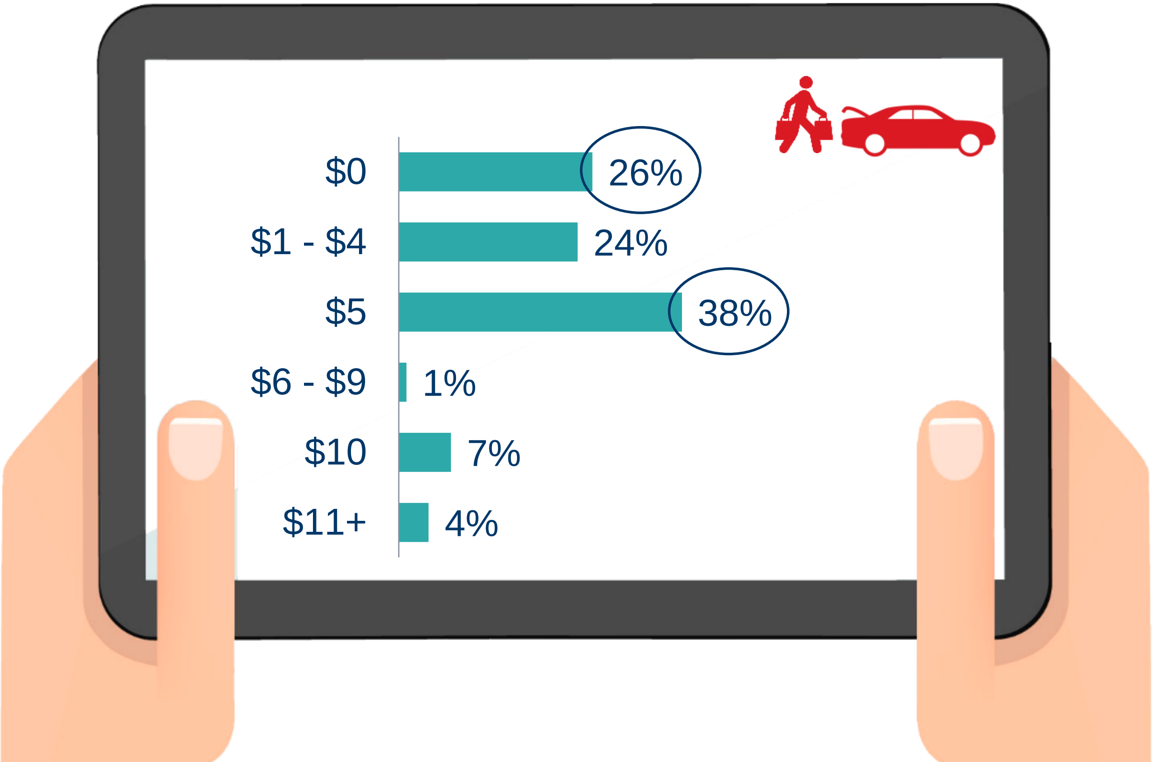
Among those who feel fee is too expensive



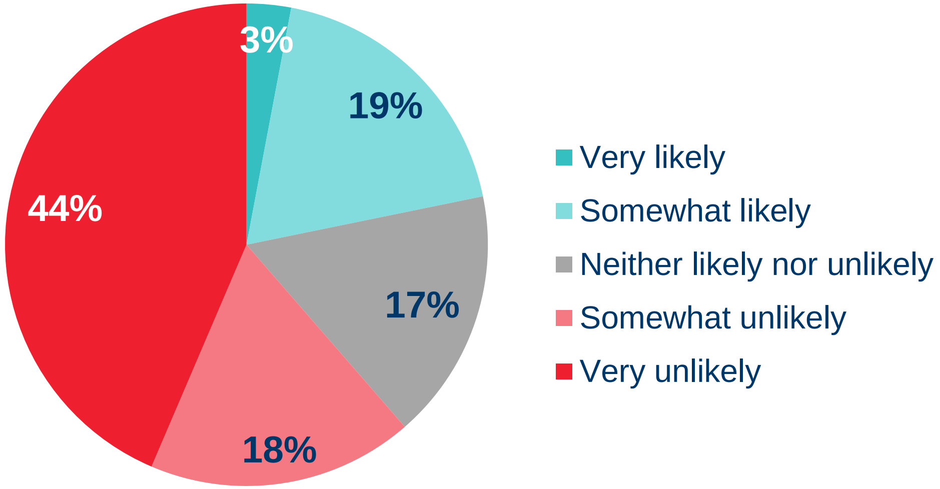
BASE: FEES FOR ONLINE DELIVERY TOO EXPENSIVE (n=905)
Q12 You told us that the fees for online delivery service are too expensive. In your opinion, how much do you think the fee should be?
Q14 Over the next 12 months, how likely would you be to shop online for groceries if the fees became more reasonable?

Most consumers (who view pick-up prices as too high) think $1-5 is a fair price
But one-quarter believe the service should be free, and few would utilize it even if the fee changed

What Should Be the Fee for Click and Collect?
Among those who feel fee is too expensive



How Likely to Shop Online if Click and Collect Were Reasonable?
Among those who feel fee is too expensive



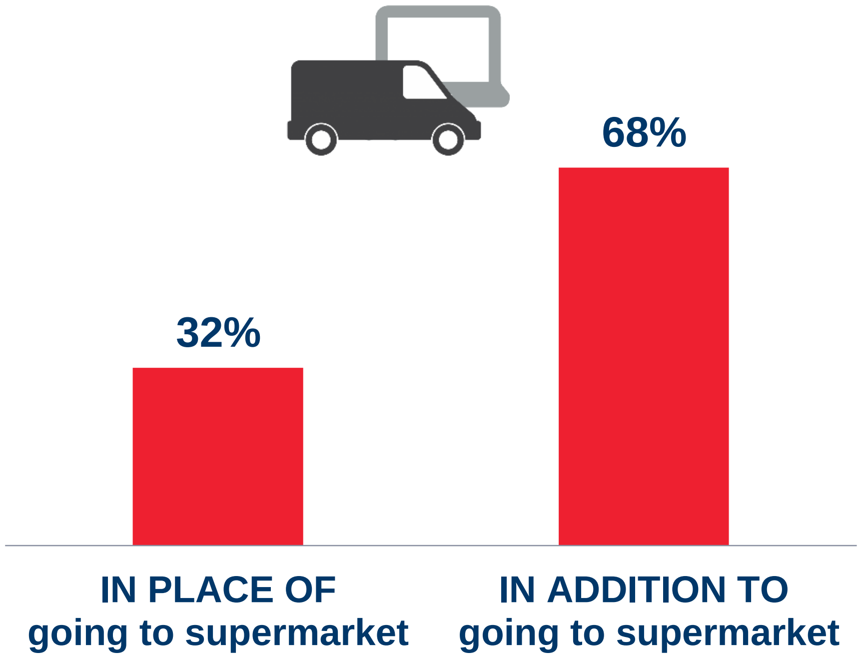
BASE: FEES FOR PICK UP SERVICE IS TOO EXPENSIVE (n=628)
Q13. You told us that the fees for pick up service are too expensive. In your opinion, how much do you think the fee should be?
Q15. Over the next 12 months, how likely would you be to shop online for groceries if the fees for pick up service became more reasonable?

Online grocery delivery is generally used *in addition to* the supermarket

All Amazon options lead the list of online services used

Uses Online Grocery Store and Home Delivery

(Among those who shop online delivery service)



Men are significantly more likely than Women to **use online grocery and delivery <u>instead of</u>** going to the store: 38% vs. 24%

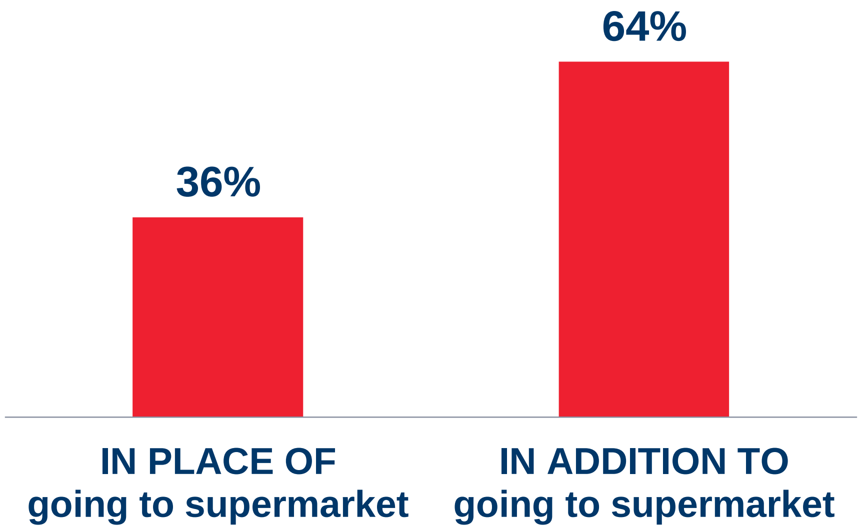
<u>**BASE: SHOPS ONLINE DELIVERY SERVICE (n=200)**</u>

Q16 When you shop online, do you use an online grocery store and home delivery service …?

“Click and collect” is typically used *in addition to* going to the supermarket

Men more likely than women to use in place of going to a supermarket

% Use Online Grocery Store and Click and Collect...
(Among those who shop online pickup service)



42% vs. **24%**

Men are also more likely than Women to use **online grocery** and **pick the food up** instead of going to the store

BASE: SHOPS ONLINE PICK UP SERVICE (n=118)
Q17. When you shop online, do you use an online grocery store and pick the food up from the store…

Even among online shoppers, the majority of purchases are made at the store
Men are more likely to rely on online shopping for monthly grocery purchases

% of Groceries Purchased At the Store vs. Online in Average Month
(Among those who shop online)

Women (79%) more likely than Men (73%) to buy monthly groceries at the store rather than online

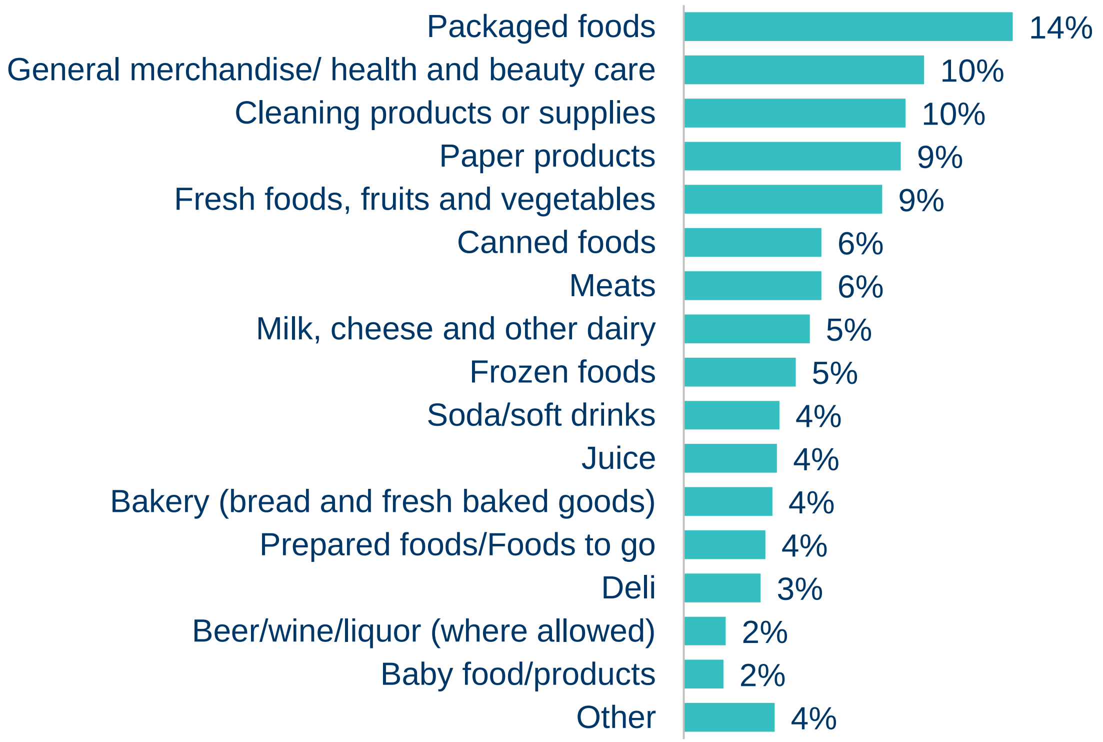
BASE: SHOPS ONLINE (n=284)
Q20 When shopping online for groceries each month, what percentage of your groceries are purchased at the store and what percentage are purchased online? Even if you are not sure, please provide your best guess.

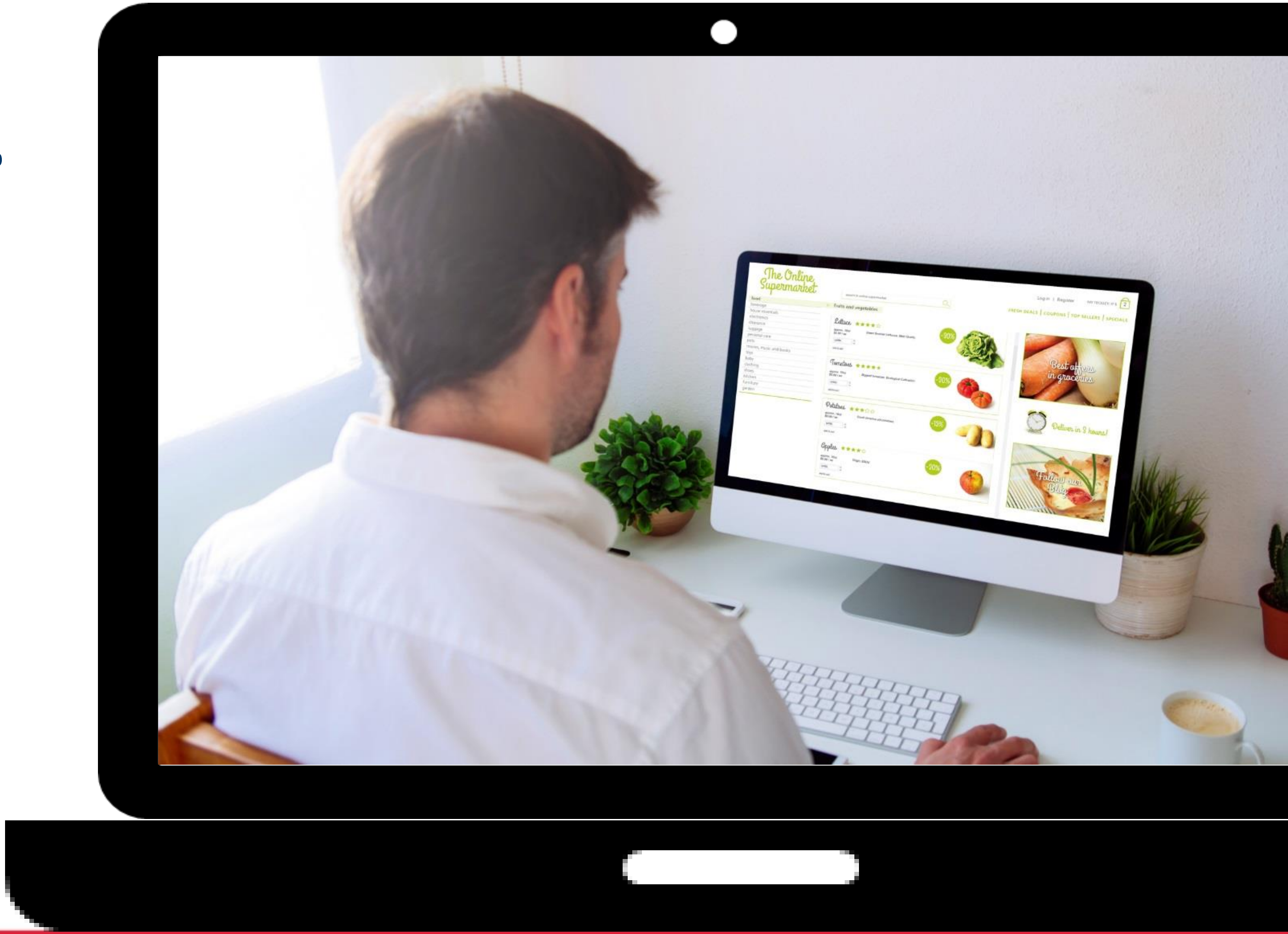
The most common online purchase is packaged foods

10% of purchases tend to be general merchandise and/or health/beauty care

% Breakdown of Typical Online Shopping Purchases

(Among those who shop online)





BASE: SHOPS ONLINE (n=284)

Q19 When shopping online, what percentage of the time do you buy each of the following?

In the near-term future, only 1 in 7 will increase their online shopping habits
But in the longer-term (i.e, 5 years), almost 3 in 10 plan to do more online

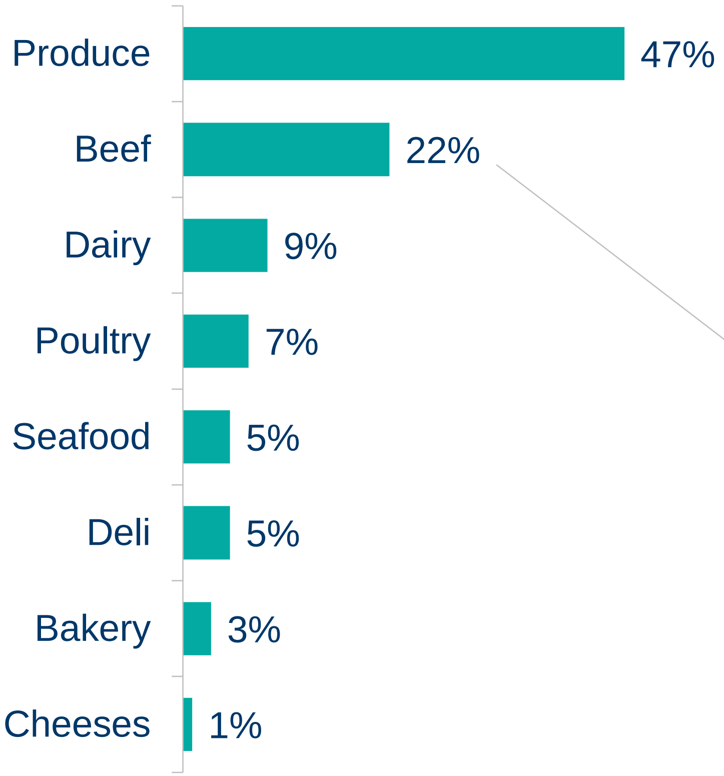
% Increase of Groceries Purchased Online
Scores of 4-Somewhat likely or 5-Very likely on a 5-point scale where 5 = Very likely and 1 = Very unlikely

BASE: ALL QUALIFIED RESPONDENTS (n=3008)
Q21 How likely is it that the percentage of your groceries purchased online will increase over the next…?

Fresh Foods and Prepared Foods

Produce is the most important department by far when thinking of ‘fresh foods’
Highest among non parents

Most Important Fresh Foods Department



Produce is significantly more important to those without children (51% vs 42% children in HH).

The beef department is most important to East and West South Central regions (34% and 31% respectively).

BASE: ALL QUALIFIED RESPONDENTS (n=3008)
Q23 Which fresh foods department is most important to you?

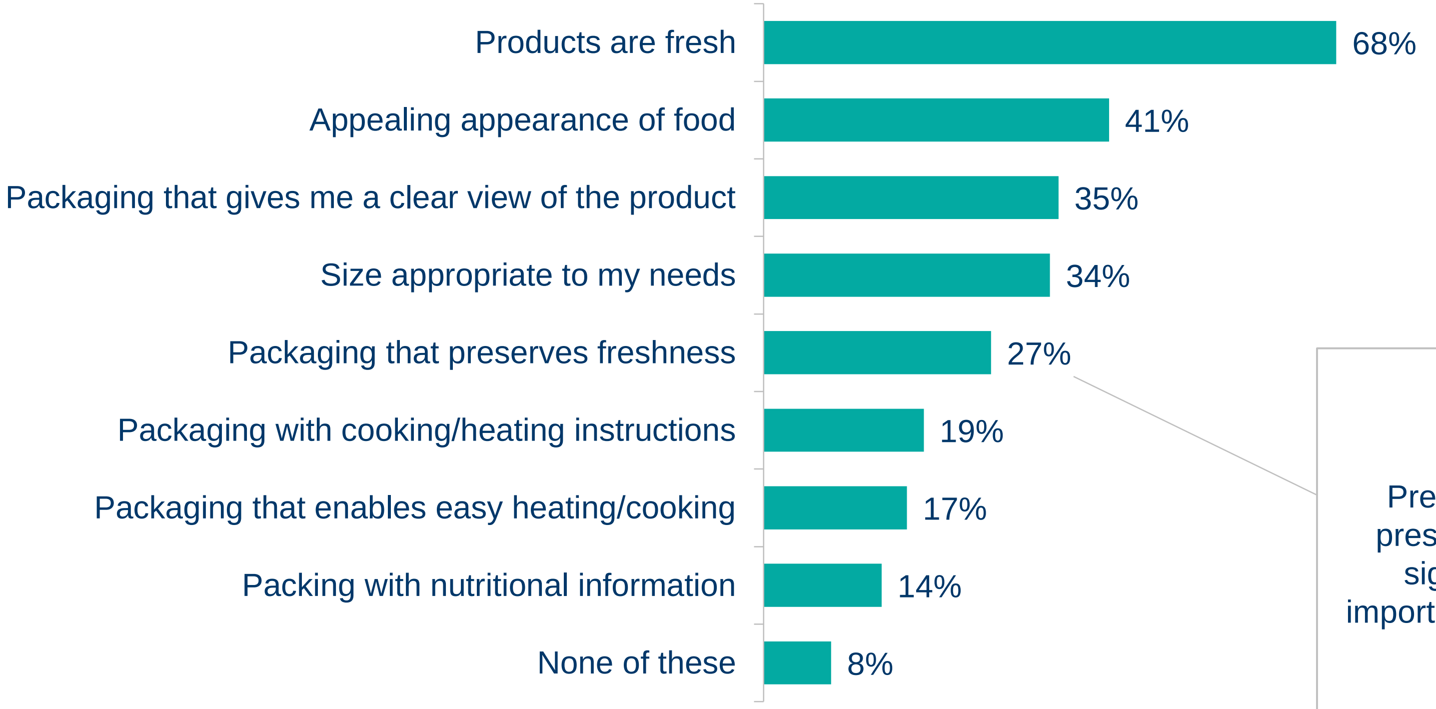
Not surprisingly, freshness matters most in the presentation of fresh foods
Appearance and cleanliness are tied in second place

What Matters Most in Presentation of Fresh Foods?

BASE: ALL QUALIFIED RESPONDENTS (n=3008)
Q24 What matters to you most about the presentation of fresh foods? You can select as many as three responses from the list below.

Freshness is also a key priority in the presentation of prepared foods
Appearance and clear packaging are second and third respectively

What Matters Most in Presentation of Prepared Foods?



Prepared foods that preserve freshness is significantly more important to the Mountain region (44%)

BASE: ALL QUALIFIED RESPONDENTS (n=3008)
Q26 What matters most to you about the presentation of prepared foods? You can select as many as three items from the list below.

Hot entrees, side dishes and salads are the most popular prepared foods

Breakfast items are the least common

Types of Prepared Foods Purchased at Supermarket

Hot dinner entrees
34%

Sides dishes: Salads
32%

Pizza
27%

Heat at home dinner entrees
24%

Pre-made sandwiches
22%

Soups
21%

Made-to-order sandwiches
20%

Side dishes: Vegetables
19%

Breakfast items
15%

None of these
28%

BASE: ALL QUALIFIED RESPONDENTS (n=3008)
Q25 What type of prepared foods do you purchase at your supermarket, Please select all that apply.

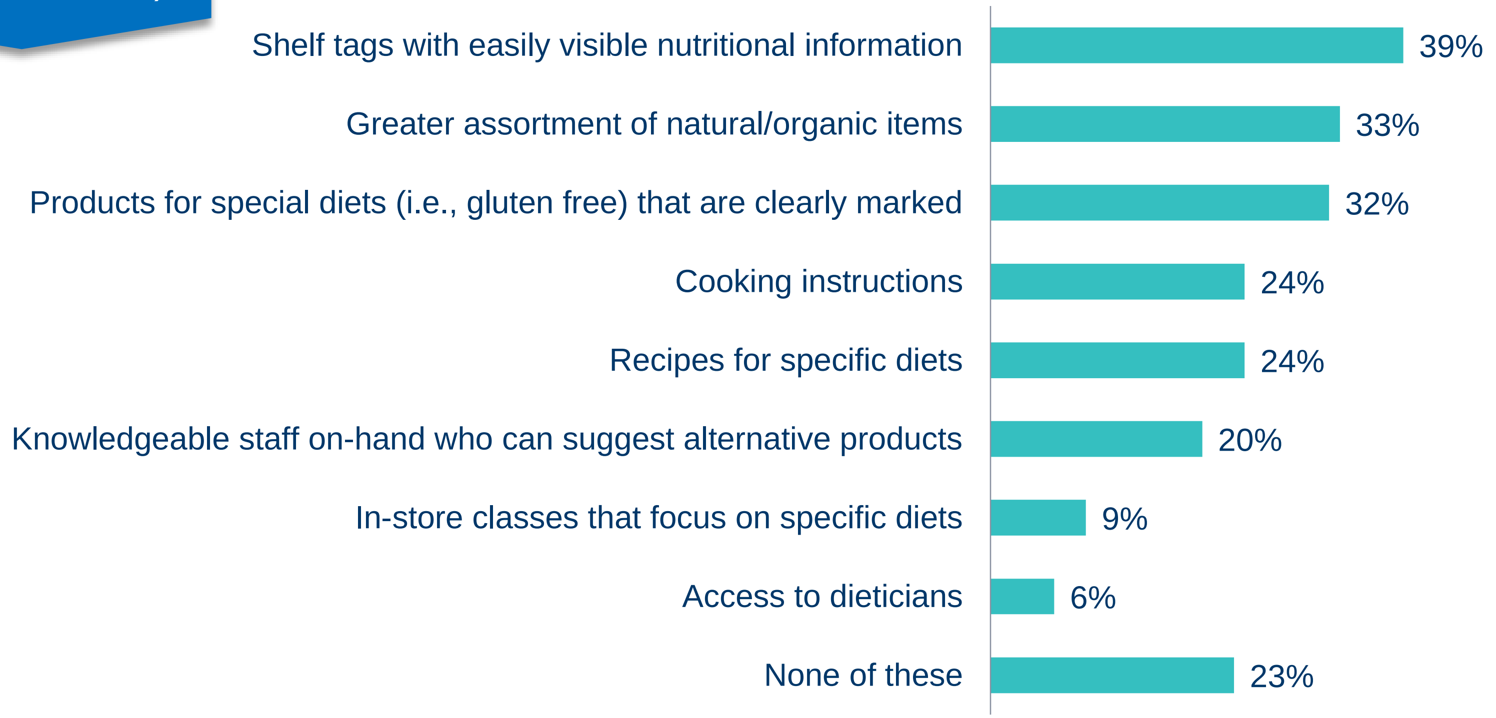
Nutrition

Consumers believe independents can support healthy eating

The #1 way that supermarkets can help adults eat healthier is shelf tags with nutritional info

The same 3 top the list this year with almost similar rate (41%, 33%, 31%)

How Can Your Primary Independent Store Help You Maintain a Healthy Diet?



South Atlantic and West North Central regions are more likely to want shelf tags with easily visible nutritional information (46%). As are those who are likely to switch grocers in the next year (42%).

BASE: ALL QUALIFIED RESPONDENTS (Total n=3008)
Q28 How can your local supermarket help you maintain a healthy diet?

Consumers expect independents to support healthy living

The top recommendations are instruction on how to cook certain foods and how to read labels

Would Like Primary Store to Offer the Following…

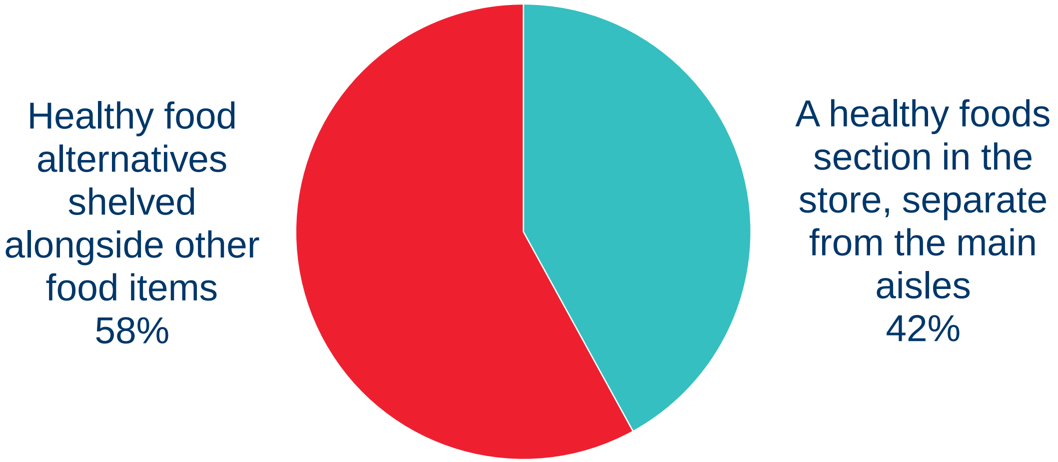
37%
Do not expect my local supermarket grocery store to provide me with this type of assistance

BASE: ALL QUALIFIED RESPONDENTS (Total n=3008)
Q30 Which of the following would you like your local supermarket to offer you when helping you live a healthier lifestyle? Please select all that apply?

A/B/C indicates significant difference between segments at 95% confidence .

Over half of adults think healthy foods should be displayed next to other foods
Only about 4 in 10 believe healthy foods belong in a separate section

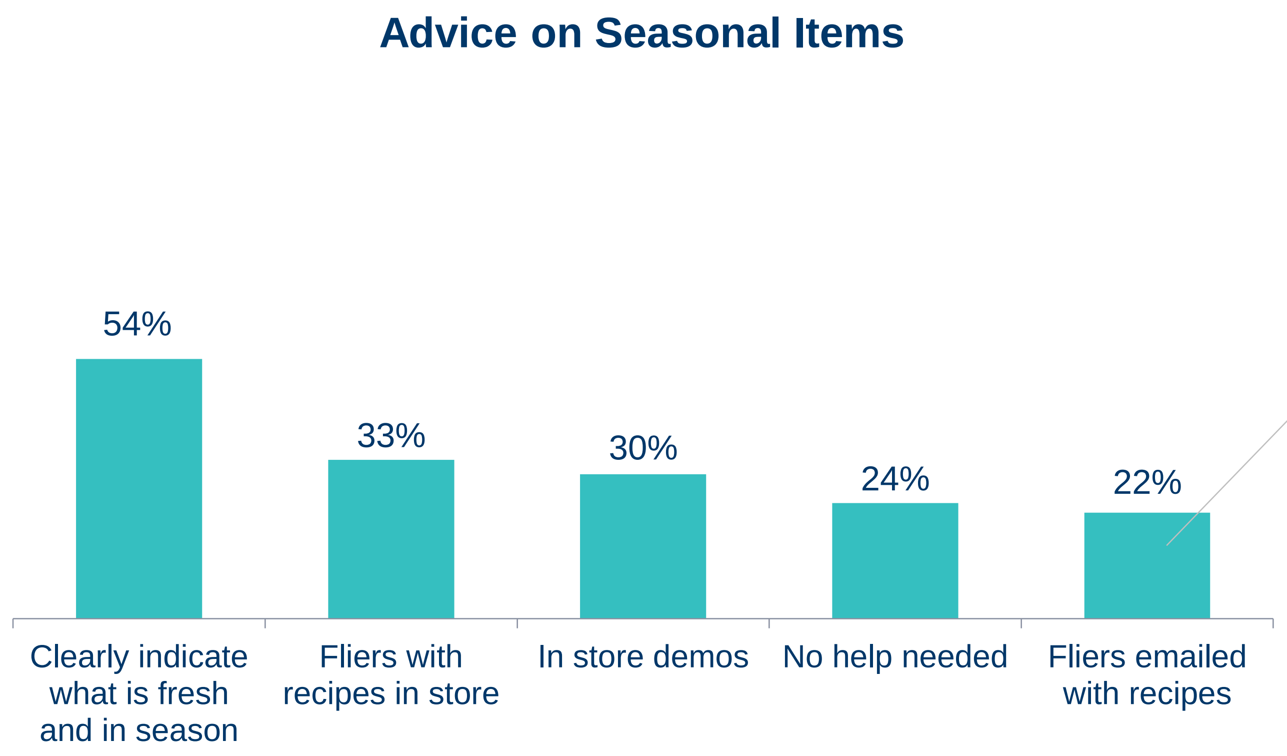
How Should Healthy Foods Be Displayed?



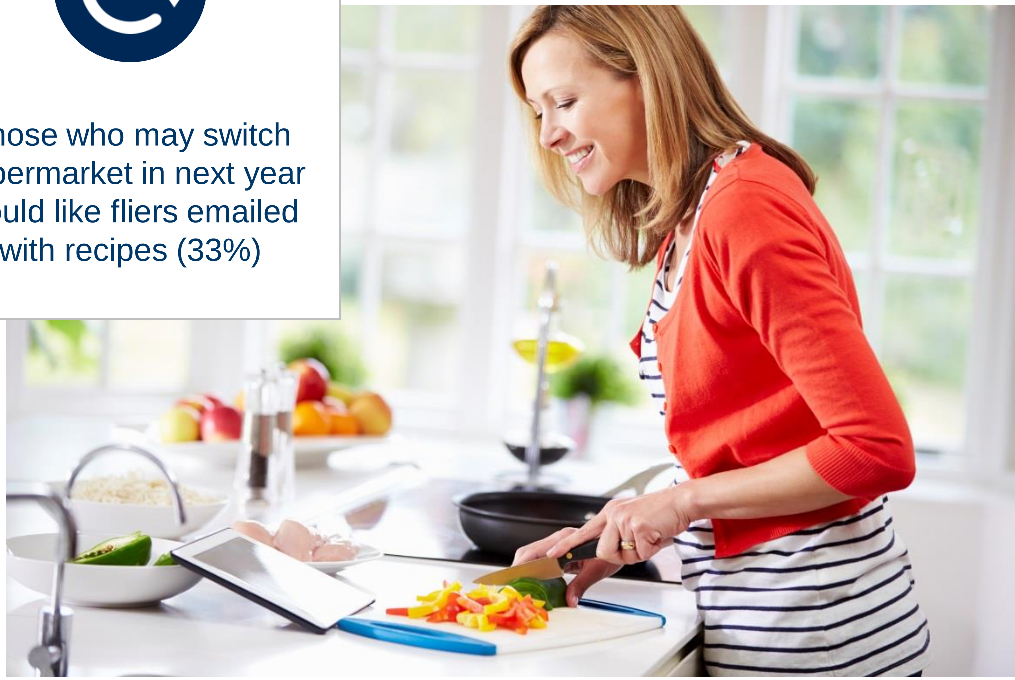
Over half who may switch supermarket in next year think healthy foods should have their own section of a store (51%)

BASE: ALL QUALIFIED RESPONDENTS (Total n=3008)
Q29 Which would you prefer most when shopping for healthy foods?

More than half would like fresh and seasonal items to be clearly marked
Only about one-quarter say no help is needed



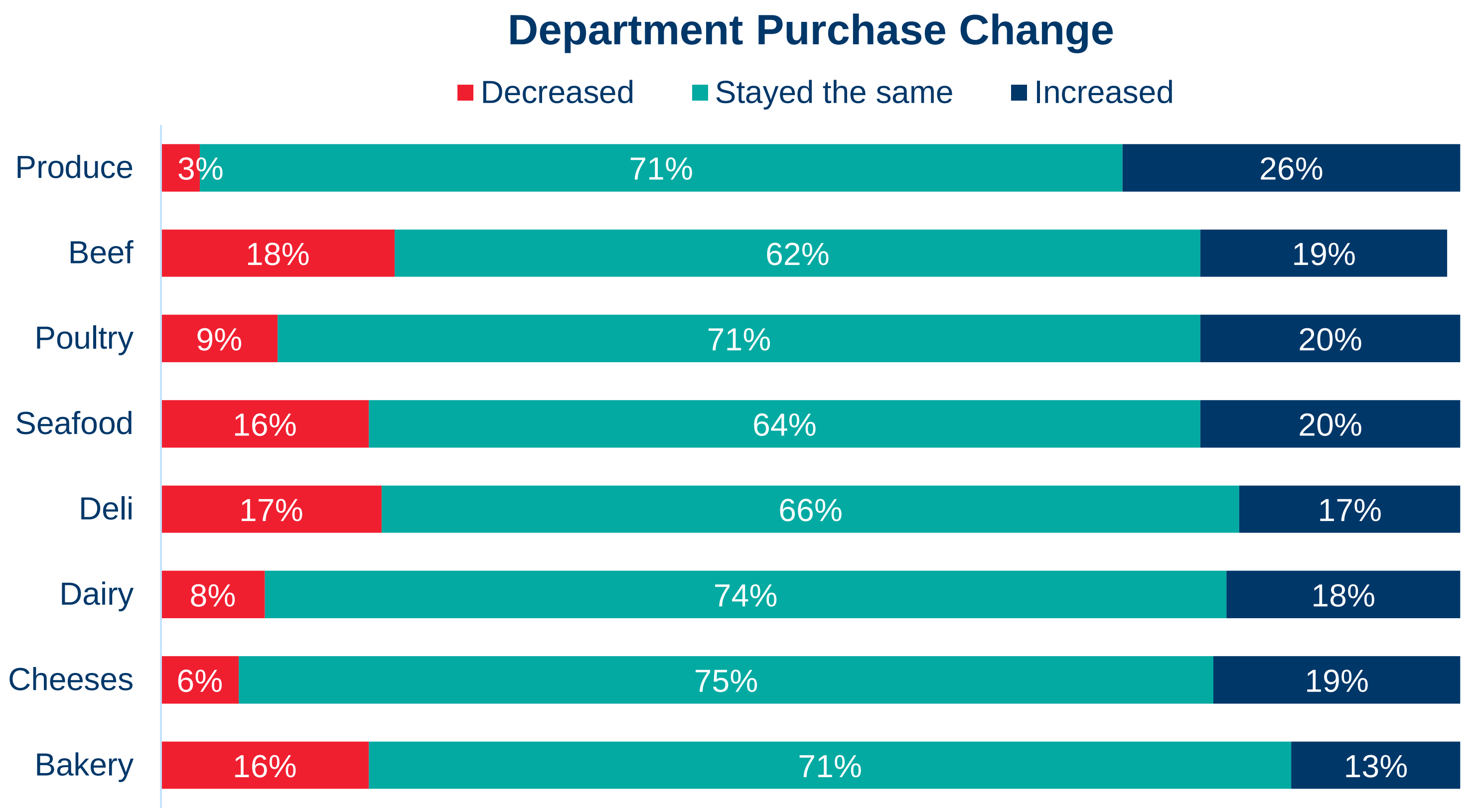
Those who may switch supermarket in next year would like fliers emailed with recipes (33%)



BASE: ALL QUALIFIED RESPONDENTS (Total n=3008)
Q31 How would you like your local supermarket to offer you advice on in season items? Please select all that apply.

Purchase Behavior

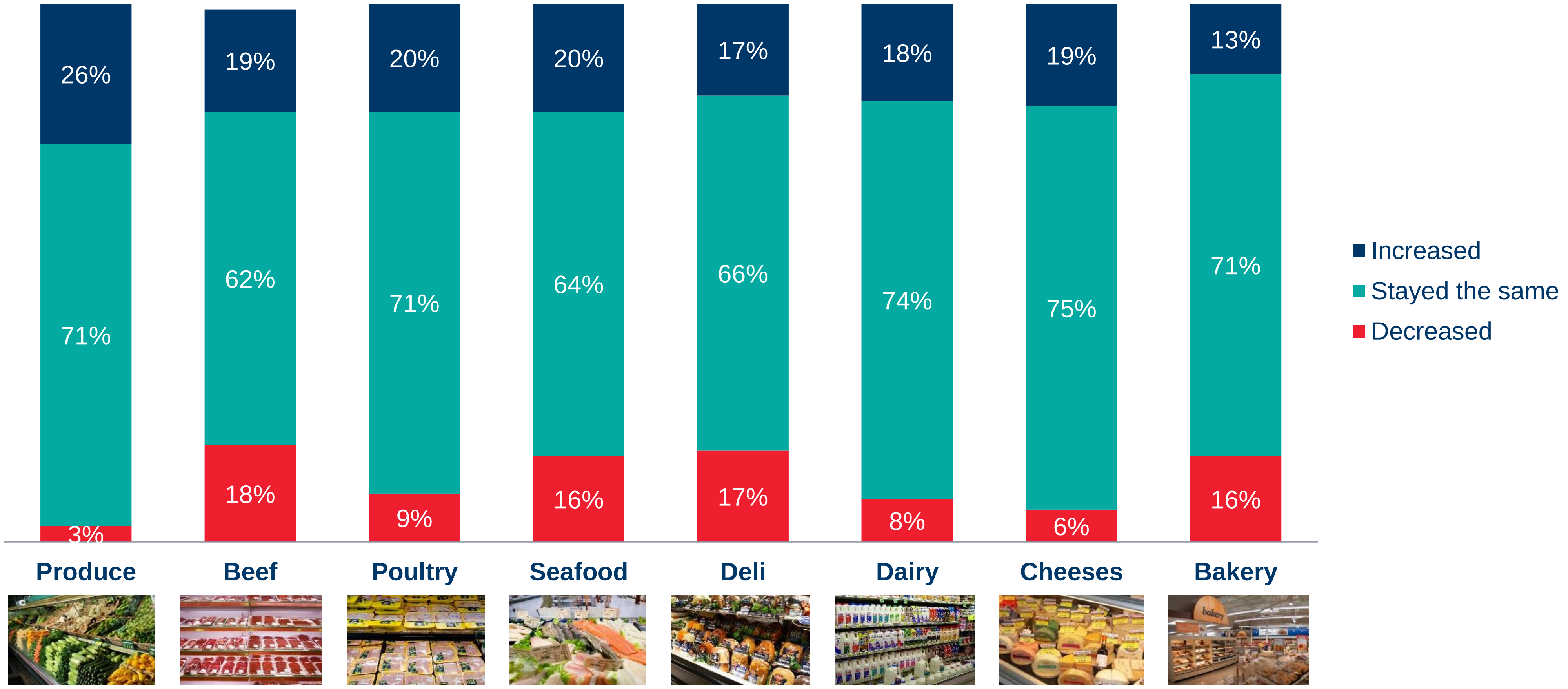
For the most part, purchasing has stayed the same
Beef, Seafood, Deli, and Bakery purchase have decreased the most



BASE: ALL QUALIFIED RESPONDENTS (Total n=Base Varies)
Q33 Have your purchases at your local supermarket in the following departments…

For the most part, purchasing has stayed the same
Beef, Seafood, Deli, and Bakery purchase have decreased the most

Department Purchase Change



<u>**BASE: ALL QUALIFIED RESPONDENTS (Total n=Base Varies)**</u>
Q33 Have your purchases at your local supermarket in the following departments…

The main reason for a decline in seafood and produce purchases is price

But for beef, deli food, dairy, cheese and baked goods, the motivation is a change in diet

Factors Describing the Decrease

	Change of Diet	Quality	Service	Lack of Knowledge with this Department	Price	Solution
Produce (n=102)	14%	38%	4%	5%	50%	*Continue To Differentiate On Quality And While Monitoring And Adjusting Pricing To Drive Traffic*
Beef (n=570)	57%	12%	3%	3%	39%	*Consider Alternate Protein Offerings Coupled Quality, Pricing, And Merchandising Initiatives*
Poultry (n=262)	43%	18%	3%	6%	40%	*Consider Alternate Protein Offerings While Insuring An Optimized Pricing Strategy*
Seafood (n=512)	18%	21%	6%	9%	55%	*Differentiate on Quality, Education, and Pricing. Improve Category Merchandising*
Deli (n=517)	50%	13%	7%	5%	32%	*Adjust Assortment to Reflect Better for You Choices While Insuring Pricing in Market Competitive*
Dairy (n=250)	54%	10%	10%	6%	32%	*Redesign Assortment To Align With Current Trends And Insure Market Competitive Pricing*
Cheeses (n=209)	59%	13%	11%	7%	31%	*Recognize Current Diet Trends And Consider Category Innovation, Artisanal Coupled With Pricing. Seek Alternative Options For Shoppers*
Bakery (n=515)	73%	10%	3%	1%	21%	*Optimize Market Level Pricing, Invest In Category Innovation Especially Trend Alternatives*

BASE: DECREASED PURCHASES AT LOCAL SUPERMARKET(n=Base Varies)
Q35 You mentioned that your purchases have decreased for the following departments. What reasons best describe this decrease?

Generally consumers don't replace items that they no longer purchase

Only in the case of produce do they typically switch to a different store

Ways of Replacing Items

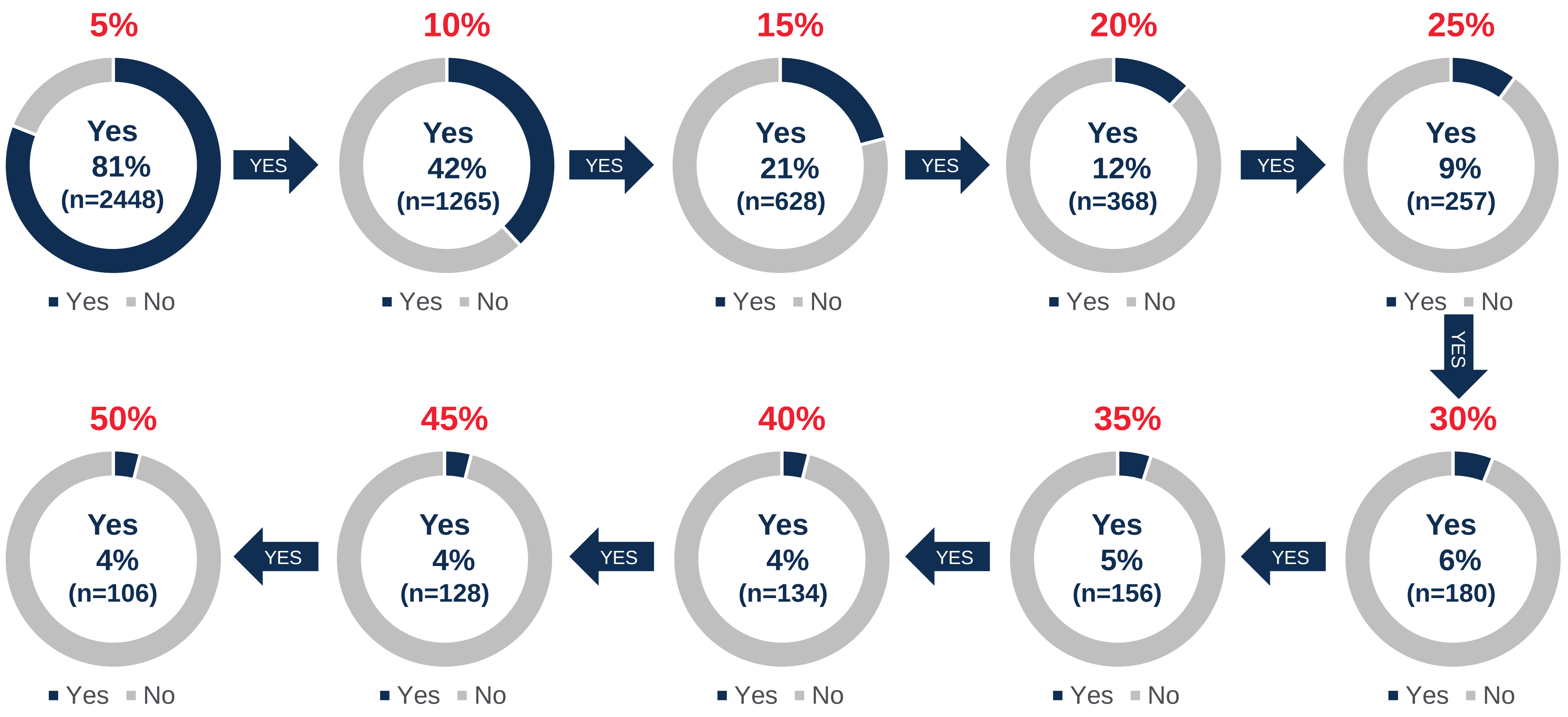
	Not Replacing Them at All	Different Store	Going Out to Eat	Online	Other
Produce (n=102)	27%	59%	7%	3%	8%
Beef (n=570)	56%	21%	10%	3%	19%
Poultry (n=262)	45%	35%	10%	4%	18%
Seafood (n=512)	55%	26%	12%	2%	13%
Deli (n=517)	64%	16%	9%	2%	19%
Dairy (n=250)	52%	33%	3%	2%	15%
Cheeses (n=209)	51%	20%	8%	5%	21%
Bakery (n=515)	69%	14%	4%	2%	17%

BASE: DECREASED PURCHASES AT LOCAL SUPERMARKET(n=Base Varies)
Q36 With the decrease in purchases for the following departments. How are you replacing items that would have previously been purchased from these departments?

Future Outlook

A price increase of 5% to shopper's weekly shopping basket, will cause nearly two in ten (19%) to leave their independent store

If price is increased by X%, would you continue to shop at your local supermarket?



BASE: ALL QUALIFIED RESPONDENTS

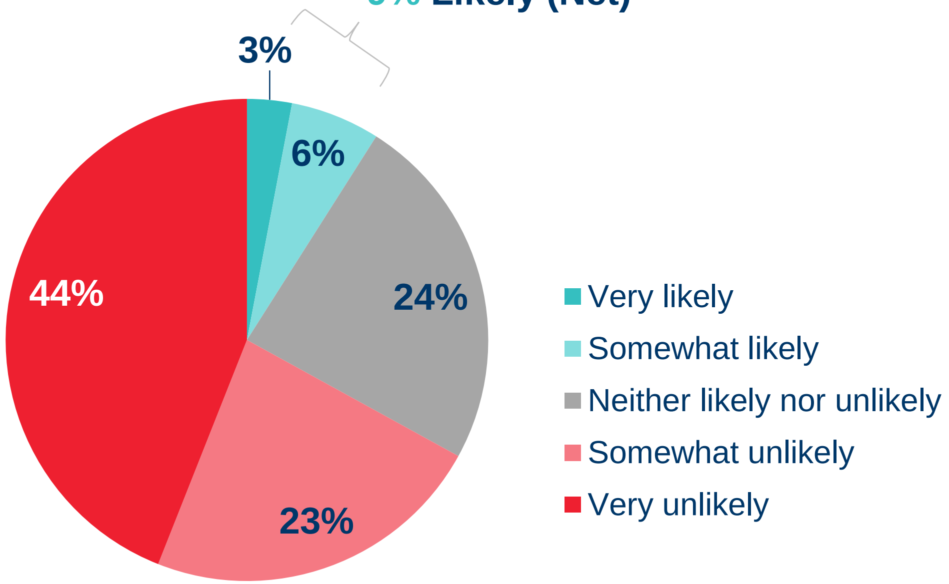
Q32 Thinking about your average weekly shopping basket, would you continue to shop at your local supermarket if the price increased:.

Almost 7 in 10 consumers have no plans to switch from their independent store

But for those who do, Walmart or Kroger is where they plan to shop in the future

Likelihood to Switch Local Supermarket in Next 12 Months

9% Likely (Net) → Supermarket Planning to Switch To



Kroger	9%	Walmart
ALDI	4%	Whole Foods Market
Trader Joe's	3%	ACME

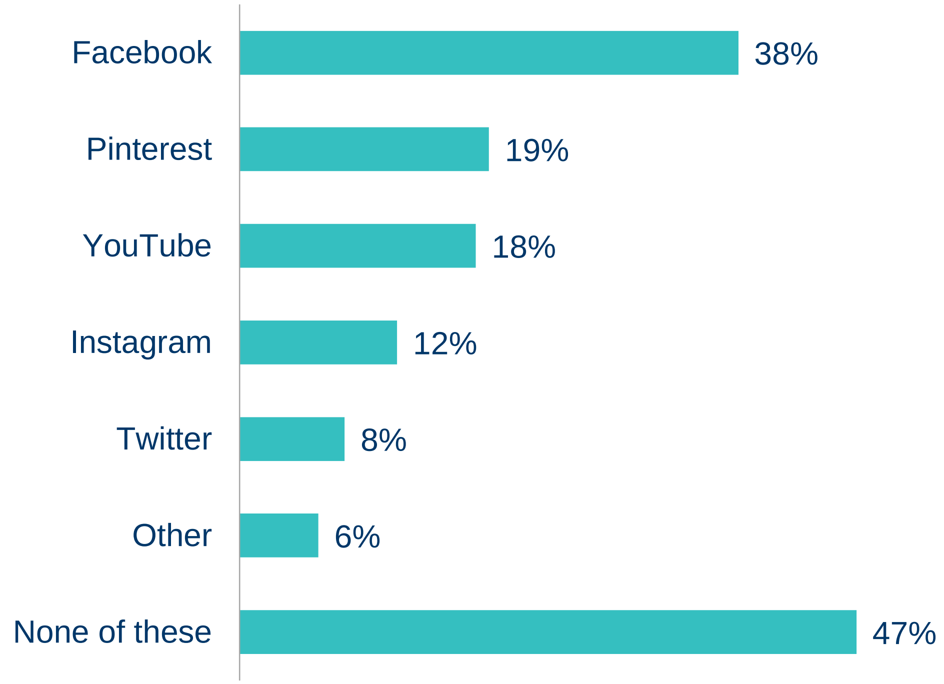
BASE: ALL QUALIFIED RESPONDENTS (Total n=3008)
Q37 Within the next 12 months, how likely are you to switch your local supermarket?
BASE: SOMEWHAT OR VERY LIKELY TO SWITCH IN NEXT 12 MONTHS (Total n=218)
Q38 What supermarket are you planning to switch to?

Sources of Information

Nearly half do not use any social networking tools to exchange food info

But for those who do, Facebook tops the list of social media sites

Use Social Networking Sites to Research New Products, Recipes and Nutrition



Who Uses Social Networking Most?

Those who are likely to switch super markets in next year are significantly higher across all social networking tools, as are parents

BASE: ALL QUALIFIED RESPONDENTS (Total n=3008)

Q27 Of the following social networking tools, which do you actively use to gather or exchange information about foods, including new products, nutrition and recipes?

Proprietary: Not for Public Release

Regional Scorecards

nielsen

Scorecard: Snapshot Across All Regions

	Total	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
Satisfaction (extremely/very satisfied)	64%	67%	60%	65%	73%	65%	52%	67%	66%	63%
Switch local supermarket (somewhat/very likely)	9%	4%	7%	10%	7%	11%	13%	10%	4%	12%
Trade off analysis (top 3 attributes of importance)	• Features low price • Sells high quality fruits & vegetable • Sells high quality meats	• Features low price • Sells high quality fruits & vegetable • Sells high quality meats	• Features low price • Sells high quality fruits & vegetable • Sells high quality meats	• Features low price • Sells high quality fruits & vegetable • Sells high quality meats	• Features low price • Sells high quality fruits & vegetable • Sells high quality meats	• Sells high quality fruits & vegetable • Features low price • Sells high quality meats	• Features low price • Sells high quality fruits & vegetable • Sells high quality meats	• Sells high quality fruits & vegetable • Features low price • Sells high quality meats	• Features low price • Sells high quality fruits & vegetable • Sells high quality meats	• Sells high quality fruits & vegetable • Features low price • Sells high quality meats
Shops online	11%	8%	11%	8%	8%	14%	7%	7%	13%	15%
Increase online purchases over next 2 years (somewhat/very likely)	19%	10%	22%	15%	18%	23%	19%	20%	20%	19%
Most important fresh food dept (top 3)	47% Produce 22% Beef 9% Dairy	52% Produce 15% Beef 11% Dairy	47% Produce 17% Beef 12% Poultry	47% Produce 23% Beef 11% Dairy	52% Produce 27% Beef 6% Dairy	46% Produce 23% Beef 9% Dairy	35% Produce 34% Beef 10% Dairy 10% Poultry	43% Produce 31% Beef 10% Dairy	51% Produce 24% Beef 9% Dairy	48% Produce 20% Beef 10% Dairy
Social networking Tools used (top 3)	38% Facebook 19% Pinterest 18% YouTube	33% Facebook 16% Pinterest 10% Instagram	35% Facebook 16% YouTube 13% Pinterest	38% Facebook 18% Pinterest 14% YouTube	31% Facebook 22% Pinterest 10% YouTube	46% Facebook 25% YouTube 22% Pinterest	43% Facebook 30% Pinterest 17% YouTube	40% Facebook 22% YouTube 20% Pinterest	44% Facebook 28% Pinterest 19% YouTube	37% Facebook 22% YouTube 20% Pinterest
Ways local supermarket can help with maintaining a healthy diet (top 2)	39% Shelf tags with easily visible nutritional info 33% Greater assortment of natural/organic items	35% Shelf tags with easily visible nutritional info 32% Greater assortment of natural/organic items	40% Shelf tags with easily visible nutritional info 30% Products for special diets	39% Shelf tags with easily visible nutritional info 32% Greater assortment of natural/organic items	46% Shelf tags with easily visible nutritional info 33% Products for special diets	46% Shelf tags with easily visible nutritional info 38% Greater assortment of natural/organic items	40% Shelf tags with easily visible nutritional info 34% Products for special diets	33% Shelf tags with easily visible nutritional info 31% Greater assortment of natural/organic items	39% Shelf tags with easily visible nutritional info 39% Products for special diets	40% Greater assortment of natural/organic items 36% Shelf tags with easily visible nutritional info
% of shopper base that would continue to shop at your store based on a X% price increase	*5%* – 81% *10%* – 42% *15%* – 21%	*5%* – 90% *10%* – 43% *15%* – 18%	*5%* – 84% *10%* – 47% *15%* – 28%	*5%* – 80% *10%* – 38% *15%* – 19%	*5%* – 80% *10%* – 40% *15%* – 16%	*5%* – 80% *10%* – 42% *15%* – 19%	*5%* – 77% *10%* – 34% *15%* – 8%	*5%* – 80% *10%* – 40% *15%* – 22%	*5%* – 80% *10%* – 43% *15%* – 25%	*5%* – 81% *10%* – 43% *15%* – 22%

Full Census View – Trade Off Analysis showing differentiation for 6 most important attributes

	Total	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
Features low prices	**220**	➡ **230**	➡ **225**	➡ **223**	➡ **227**	**205**	➡ **233**	**215**	**217**	**215**
Sells high quality fruits & vegetables	**220**	➡ **227**	**218**	➡ **222**	➡ **221**	**212**	**210**	➡ **222**	**214**	➡ **226**
Sells high quality meats	**195**	**194**	**189**	**194**	➡ **210**	➡ **198**	➡ **207**	➡ **206**	**189**	**187**
Is a clean, neat store	**181**	**181**	**178**	➡ **183**	➡ **190**	**177**	➡ **191**	➡ **185**	**179**	**180**
Has courteous, friendly employees	**150**	**149**	**137**	➡ **153**	➡ **167**	**148**	➡ **168**	➡ **160**	➡ **158**	**144**
Offers locally grown produce & other packaged goods	**143**	**151**	**137**	➡ **144**	**133**	**137**	**140**	**141**	➡ **149**	➡ **157**
Has a store layout that makes it easy for me to shop	119	123	117	125	139	109	116	119	116	115
Store resolves shopping /product/service issues immediately	108	117	107	106	116	116	116	106	107	97
Pays attention to customers' special requests or needs	103	104	96	101	105	115	115	108	114	92
Has a Frequent Shopper Program that offers benefits	102	122	127	99	91	99	84	77	96	94
Offers Private Labels/Store Brands	80	78	81	80	85	71	96	86	69	82
Offers a deli with prepared foods or "foods to go"	73	63	76	80	83	71	66	64	69	71
Offers organic food of all kinds, including produce & packaged	71	60	68	66	44	86	44	69	77	96
Offers a good selection of ethnic or cultural foods	65	49	62	70	44	65	47	64	60	89
Is active in and supports our local community	57	46	51	59	59	54	59	70	70	56
Offers me mobile marketing	41	46	50	39	34	41	49	35	41	36
Has nutrition & health information easily available near the products I buy	33	25	39	27	28	38	25	36	37	33
Has a pharmacy inside the store	18	18	19	14	13	27	15	22	23	12
Offers online ordering with curbside pick-up and/or delivery	14	13	17	12	10	22	13	11	11	13
Has a dietician at the store	5	5	5	4	3	10	5	4	5	5

➡ Blue arrow indicates areas where region is higher than the national average for 6 most important attributes

Most Important (ranking above 150)

Average Importance (ranking between 90 and 150)

Least Important (ranking below 90)

Experience

Product

nielsen

Full Census View – Driver Analysis

	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
Has a store layout that makes it easy for me to shop	Secondary Driver	Secondary Driver	Primary Driver	Secondary Driver		Secondary Driver			Primary Driver
Is a clean, neat store	Secondary Driver	Secondary Driver	Secondary Driver				Secondary Driver		Secondary Driver
Has courteous, friendly employees	Primary Driver	Secondary Driver			Secondary Driver	Primary Driver		Primary Driver	Secondary Driver
Has a dietician at the store				Primary Driver			Secondary Driver		
Offers a deli with prepared foods or "foods to go"									
Offers a good selection of ethnic or cultural foods					Secondary Driver			Primary Driver	
Has a pharmacy inside the store									
Has nutrition & health information easily available near the products I buy					Secondary Driver				
Sells high quality fruits & vegetables	Primary Driver	Primary Driver		Secondary Driver	Secondary Driver	Secondary Driver	Primary Driver	Primary Driver	Secondary Driver
Sells high quality meats	Secondary Driver	Primary Driver	Primary Driver	Secondary Driver	Secondary Driver	Primary Driver	Primary Driver	Secondary Driver	
Features low prices	Secondary Driver	Primary Driver	Primary Driver	Secondary Driver	Primary Driver	Primary Driver	Secondary Driver		Primary Driver
Offers me mobile marketing				Secondary Driver					
Offers locally grown produce & other packaged goods				Secondary Driver					Secondary Driver
Offers online ordering with curbside pick-up and/or home delivery									
Offers organic food of all kinds, including produce & packaged foods						Primary Driver		Secondary Driver	Secondary Driver
Is active in and supports our local community	Secondary Driver			Primary Driver	Secondary Driver				Secondary Driver
Pays attention to customers' special requests or needs	Secondary Driver	Primary Driver	Primary Driver	Secondary Driver	Secondary Driver				Secondary Driver
Has a Frequent Shopper Program that offers benefits									
Store resolves shopping /product/service issues immediately	Primary Driver	Secondary Driver	Primary Driver	Secondary Driver	Primary Driver		Secondary Driver	Secondary Driver	Primary Driver
Offers Private Labels/Store Brands								Secondary Driver	

Primary Driver   Secondary Driver

Experience
Product

BASE: ALL QUALIFIED RESPONDENTS (Total (n=3008)
Q2 Thinking about your current grocery shopping experience, please tell us how well each of the following statements describes your local supermarket.

Scorecard: New England

New England 9%

Avg Age
49

Gender
52% 48%

Race
69% White
11% Black
5% Hispanic
14% Other

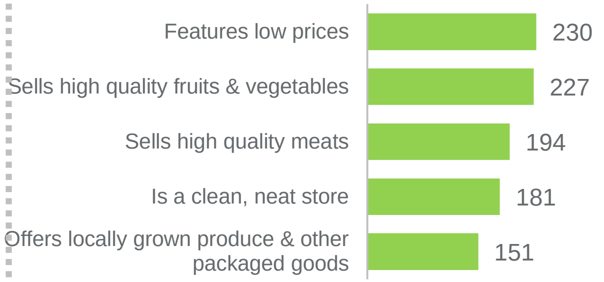
Satisfaction
(Extremely/Very Satisfied)

67%

Likelihood of Switching Your Local Supermarket
(Somewhat/Very Likely)

4%

Trade Off Analysis



Most Important Fresh Foods Department

Produce 52%
Beef 15%
Dairy 11%

Social Networking Tools
used to gather or exchange information about foods

Facebook 33%
Pinterest 16%
Instagram 10%

Business Critical Shopper Behaviors

86% **Continue to shop at the store** instead of shopping online

73% **Speak positively** about the local supermarket

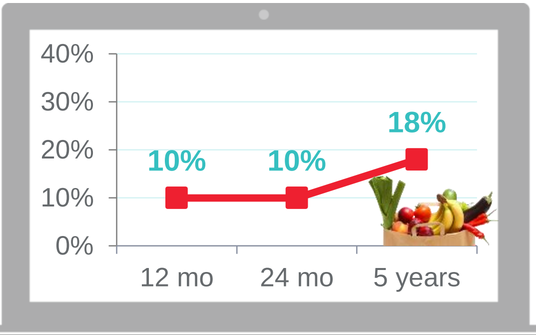
71% **Recommend** local super-market to others **through word of mouth**

52% **Support** local supermarket because it is linked to the **community**

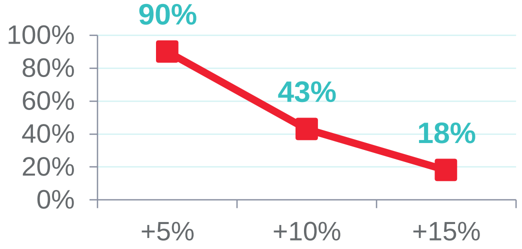
32% **Recommend** local super-market to others **through social media**

8% Shop for Groceries Online

% Increase of Groceries Purchased Online



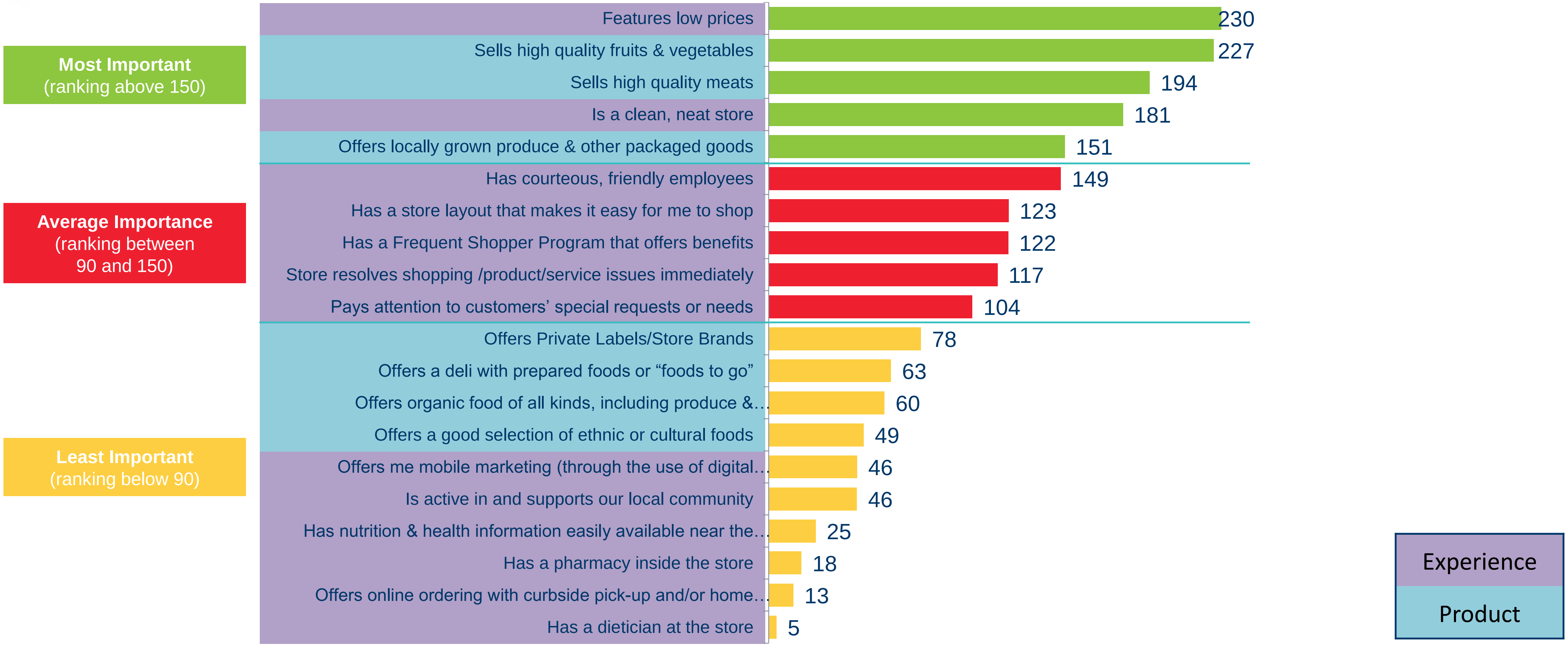
% of Shopper Base that Would Continue to Shop at Your Store Based on a x% Price Increase



Ways Local Supermarket Can Help to Maintain a Healthy Diet

Shelf tags with easily visible nutritional information	35%
Greater assortment of natural/organic items	32%
Products for special diets (i.e., gluten free) that are clearly marked	31%

New England – Trade Off Analysis

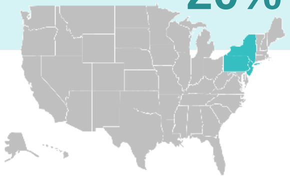


BASE: ALL QUALIFIED RESPONDENTS (New England n=215)

Q6 Please indicate which of the following considerations will be most important and which will be least important when you are shopping for groceries over the next 12 months.

Scorecard: Middle Atlantic

Middle Atlantic 20%



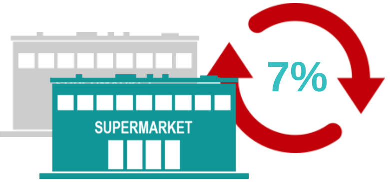
Avg Age
51

Gender
51% 49%

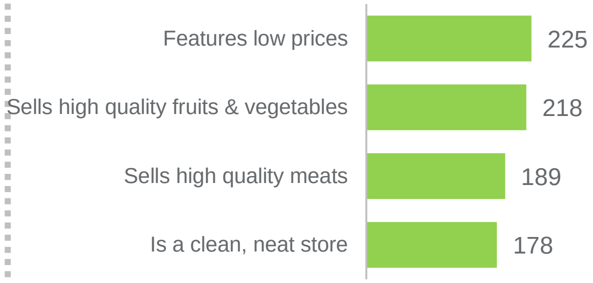
Race
69% White
13% Black
12% Hispanic
5% Other

Satisfaction
(Extremely/Very Satisfied)

Likelihood of Switching Your Local Supermarket
(Somewhat/Very Likely)



Trade Off Analysis



Most Important Fresh Foods Department

Produce 47%
Beef 17%
Poultry 12%

Social Networking Tools
used to gather or exchange information about foods

Facebook 35%
YouTube 16%
Pinterest 13%

Business Critical Shopper Behaviors

83% **Continue to shop at the store** instead of shopping online

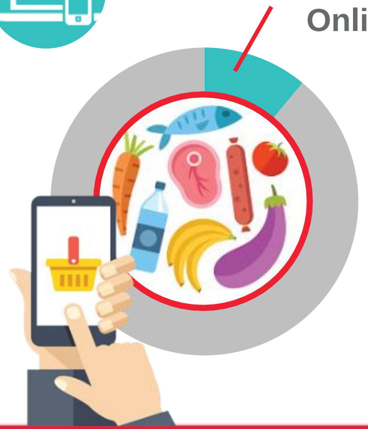
69% **Speak positively** about the local supermarket

65% **Recommend** local supermarket to others **through word of mouth**

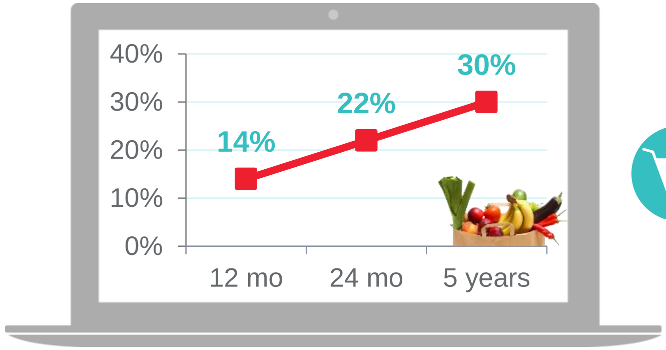
50% **Support** local supermarket because it is linked to the community

27% **Recommend** local supermarket to others through social media

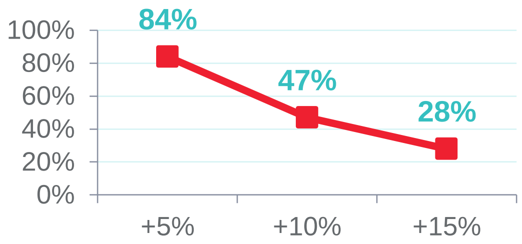
11% Shop for Groceries Online



% Increase of Groceries Purchased Online



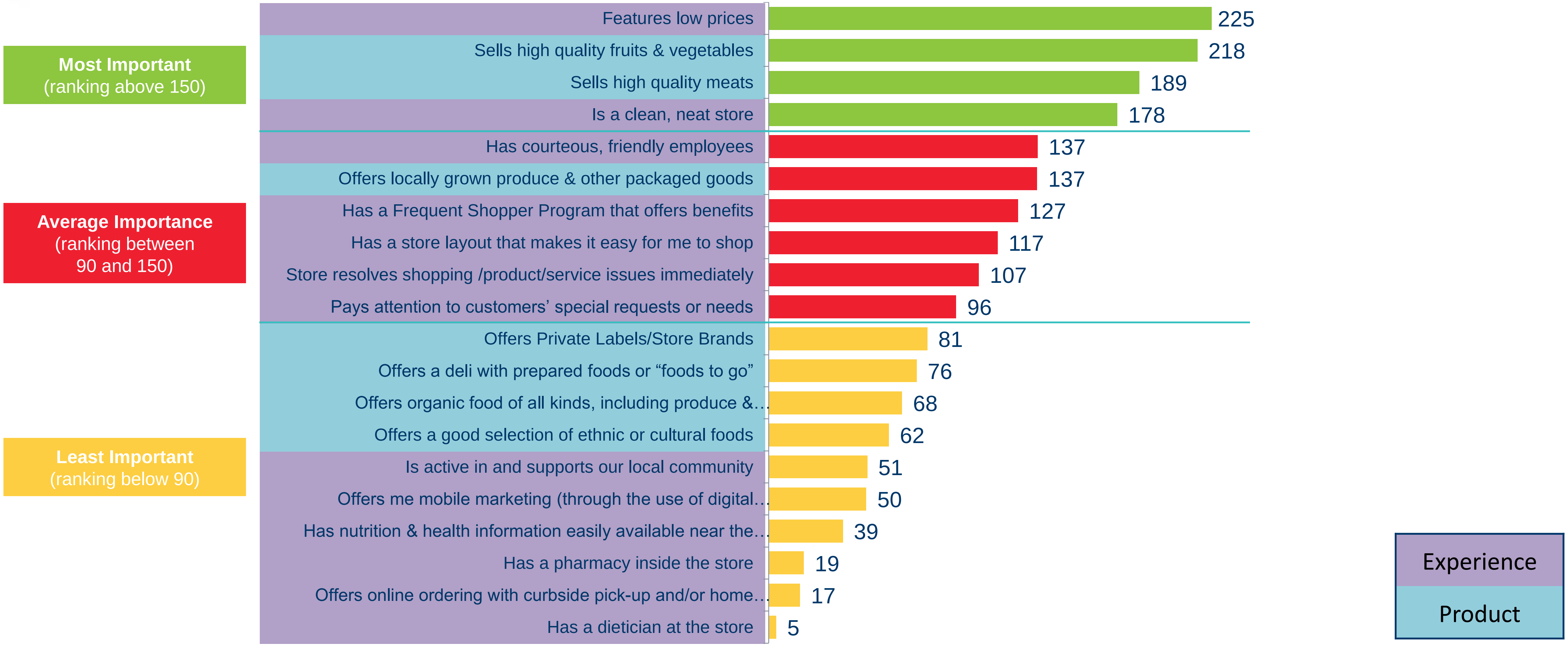
% of Shopper Base that Would Continue to Shop at Your Store Based on a x% Price Increase



Ways Local Supermarket Can Help to Maintain a Healthy Diet

Shelf tags with easily visible nutritional information	40%
Products for special diets (i.e., gluten free) that are clearly marked	30%
Greater assortment of natural/organic items	28%

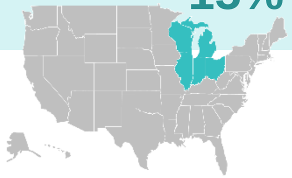
Mid Atlantic - Trade Off Analysis



BASE: ALL QUALIFIED RESPONDENTS (Middle Atlantic n=611)
Q6 Please indicate which of the following considerations will be most important and which will be least important when you are shopping for groceries over the next 12 months.

Scorecard: East North Central

East North Central 15%



Avg Age
51

Gender

54% 46%

Race

75% White
14% Black
7% Hispanic
4% Other

Satisfaction
(Extremely/Very Satisfied)

65%

Likelihood of Switching Your Local Supermarket
(Somewhat/Very Likely)

10%

Trade Off Analysis

Features low prices	223
Sells high quality fruits & vegetables	222
Sells high quality meats	194
Is a clean, neat store	183
Has courteous, friendly employees	153

Most Important Fresh Foods Department

Produce 47%

Beef 23%

Dairy 11%

Social Networking Tools
used to gather or exchange information about foods

Facebook 38%

Pinterest 18%

YouTube 14%

Business Critical Shopper Behaviors

83% **Continue to shop at the store** instead of shopping online

71% **Speak positively** about the local supermarket

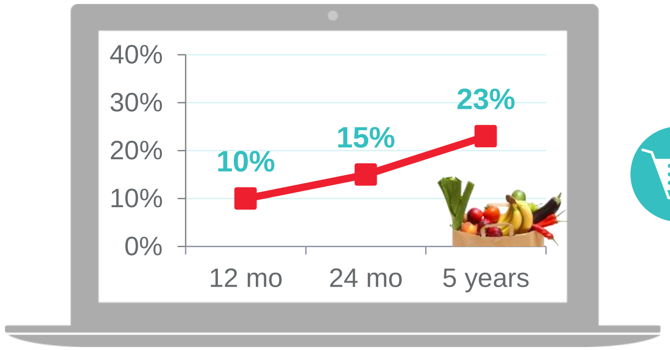
66% **Recommend** local supermarket to others **through word of mouth**

59% **Support** local supermarket because it is linked to the **community**

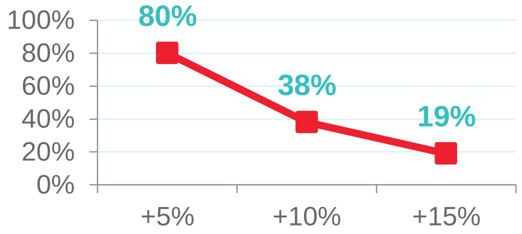
33% **Recommend** local supermarket to others **through social media**

8% Shop for Groceries Online

% Increase of Groceries Purchased Online



% of Shopper Base that Would Continue to Shop at Your Store Based on a x% Price Increase



Ways Local Supermarket Can Help to Maintain a Healthy Diet

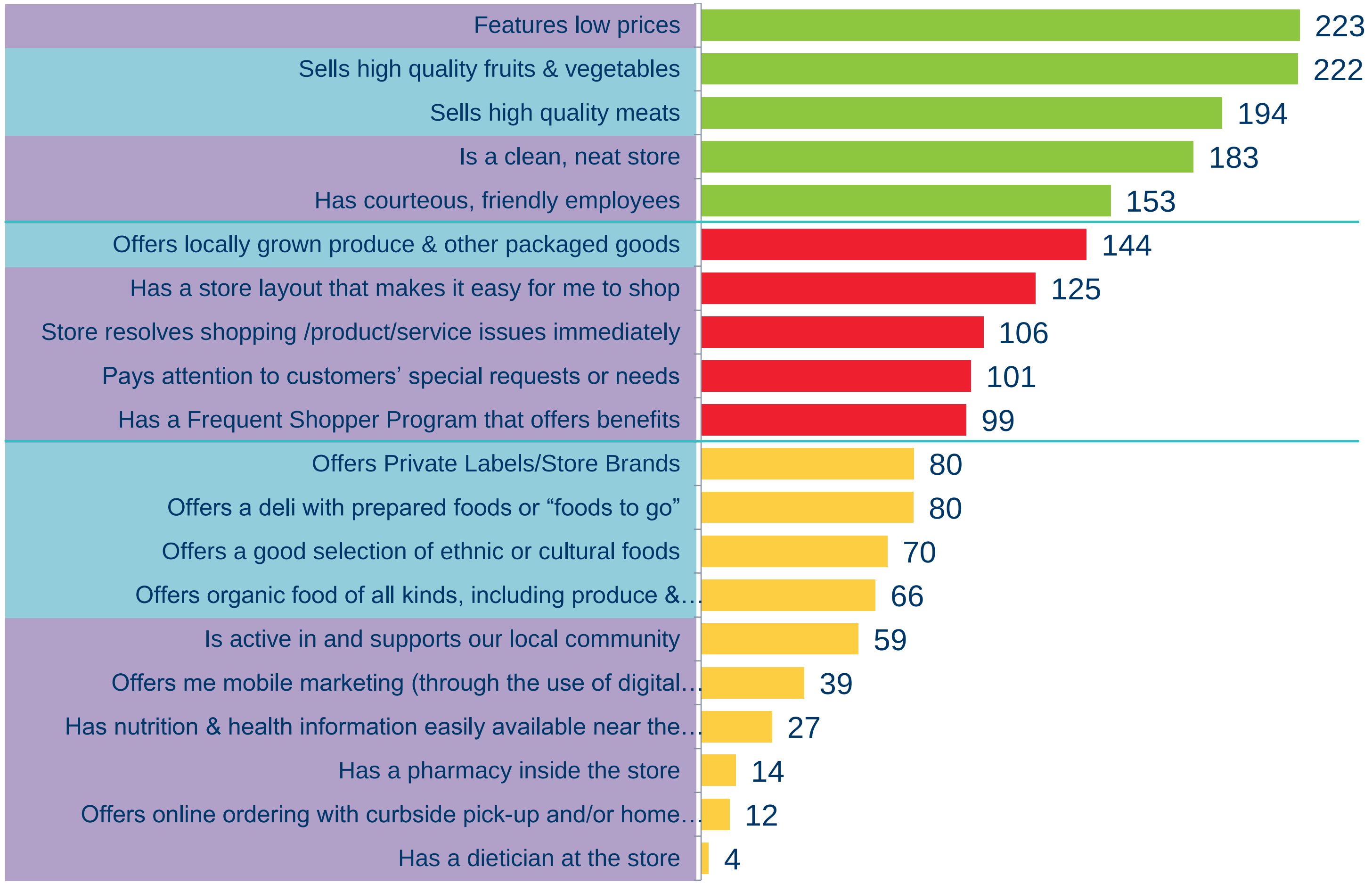
Shelf tags with easily visible nutritional information	39%
Greater assortment of natural/organic items	32%
Products for special diets (i.e., gluten free) that are clearly marked	31%

East North Central - Trade Off Analysis

Most Important
(ranking above 150)

Average Importance
(ranking between
90 and 150)

Least Important
(ranking below 90)

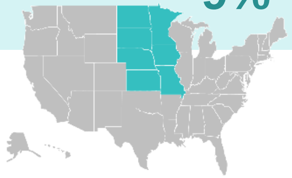


Experience
Product

BASE: ALL QUALIFIED RESPONDENTS (East North Central n=453)
Q6 Please indicate which of the following considerations will be most important and which will be least important when you are shopping for groceries over the next 12 months.

Scorecard: West North Central

West North Central 9%



Avg Age
54

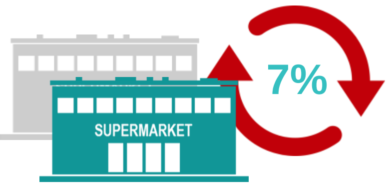
Gender
61% 39%

Race
83% White
5% Black
5% Hispanic
6% Other

Satisfaction
(Extremely/Very Satisfied)

73%

Likelihood of Switching Your Local Supermarket
(Somewhat/Very Likely)



7%

Trade Off Analysis

Features low prices	227
Sells high quality fruits & vegetables	221
Sells high quality meats	210
Is a clean, neat store	190
Has courteous, friendly employees	167

Most Important Fresh Foods Department

Produce	Beef	Dairy
52%	27%	6%

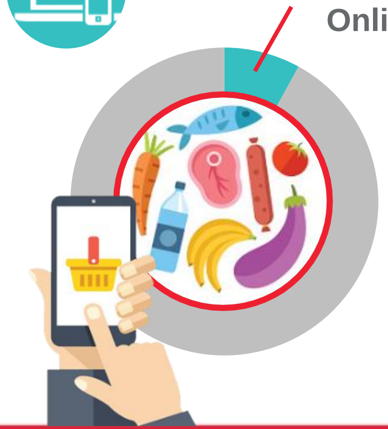
Social Networking Tools
used to gather or exchange information about foods

Facebook	Pinterest	YouTube
31%	22%	10%

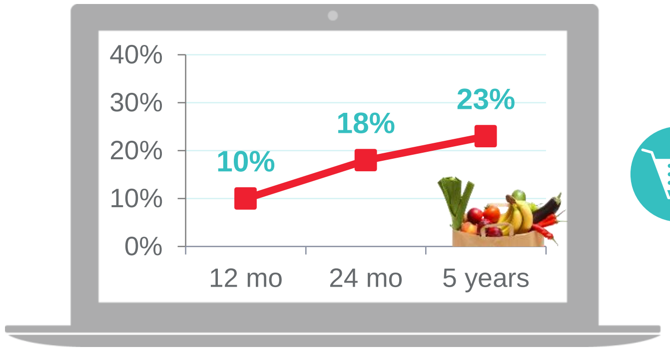
Business Critical Shopper Behaviors

- **89%** **Continue to shop at the store** instead of shopping online
- **84%** **Speak positively** about the local supermarket
- **80%** **Recommend** local supermarket to others **through word of mouth**
- **64%** **Support** local supermarket because it is linked to the **community**
- **35%** **Recommend** local supermarket to others **through social media**

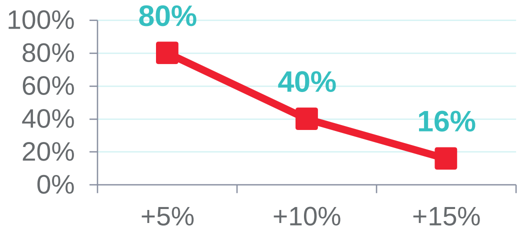
8% Shop for Groceries Online



% Increase of Groceries Purchased Online



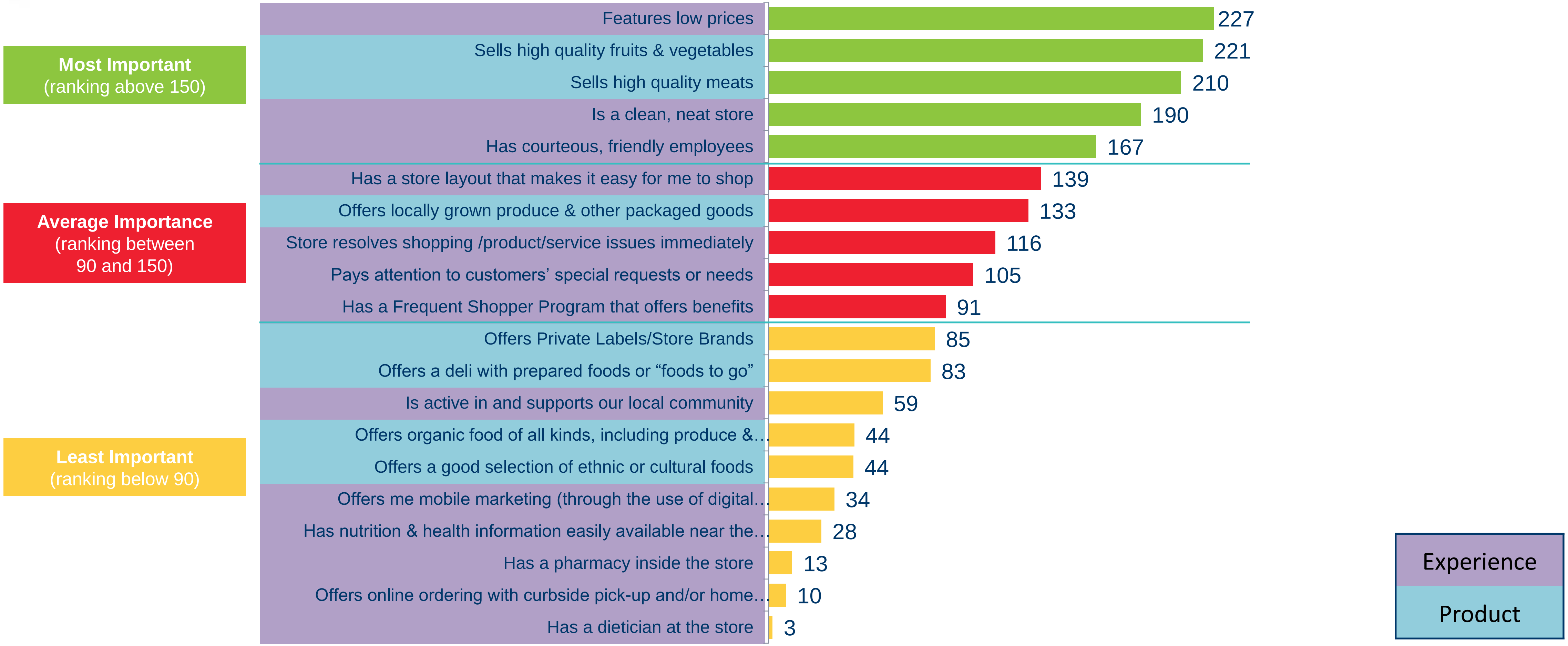
% of Shopper Base that Would Continue to Shop at Your Store Based on a x% Price Increase



Ways Local Supermarket Can Help to Maintain a Healthy Diet

Shelf tags with easily visible nutritional information	46%
Products for special diets (i.e., gluten free) that are clearly marked	33%
Cooking instructions	28%

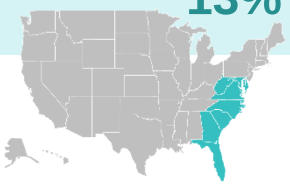
West North Central - Trade Off Analysis



BASE: ALL QUALIFIED RESPONDENTS (West North Central n=265)
Q6 Please indicate which of the following considerations will be most important and which will be least important when you are shopping for groceries over the next 12 months.

Scorecard: South Atlantic

South Atlantic 13%



Avg Age 47

Gender

52% 48%

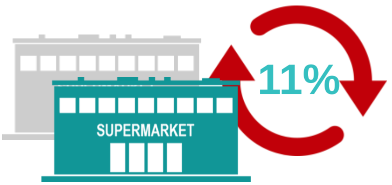
Race

- 59% White
- 17% Black
- 19% Hispanic
- 4% Other

Satisfaction
(Extremely/Very Satisfied)

65%

Likelihood of Switching Your Local Supermarket
(Somewhat/Very Likely)



Trade Off Analysis

Sells high quality fruits & vegetables	212
Features low prices	205
Sells high quality meats	198
Is a clean, neat store	177

Most Important Fresh Foods Department

Produce	Beef	Dairy
46%	23%	9%

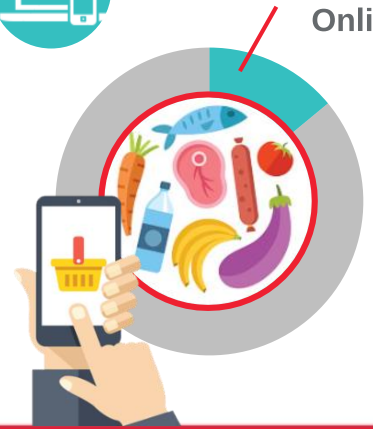
Social Networking Tools
used to gather or exchange information about foods

Facebook	YouTube	Pinterest
46%	25%	22%

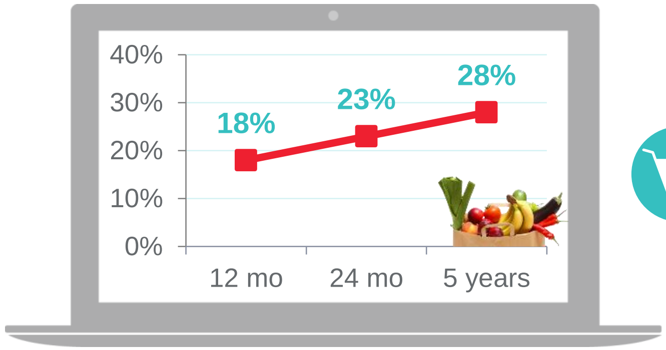
Business Critical Shopper Behaviors

- **83%** **Continue to shop at the store** instead of shopping online
- **73%** **Speak positively** about the local supermarket
- **77%** **Recommend** local supermarket to others **through word of mouth**
- **52%** **Support** local supermarket because it is linked to the community
- **42%** **Recommend** local supermarket to others **through social media**

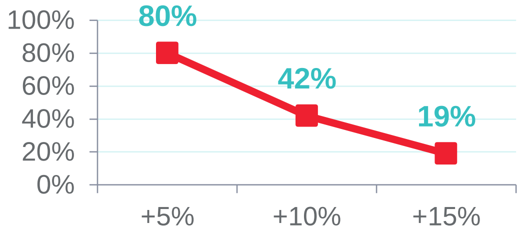
14% Shop for Groceries Online



% Increase of Groceries Purchased Online



% of Shopper Base that Would Continue to Shop at Your Store Based on a x% Price Increase



Ways Local Supermarket Can Help to Maintain a Healthy Diet

Shelf tags with easily visible nutritional information	46%
Greater assortment of natural/organic items	38%
Products for special diets (i.e., gluten free) that are clearly marked	34%

South Atlantic - Trade Off Analysis

Most Important (ranking above 150)	Sells high quality fruits & vegetables	Product	212
	Features low prices	Experience	205
	Sells high quality meats	Product	198
	Is a clean, neat store	Experience	177
Average Importance (ranking between 90 and 150)	Has courteous, friendly employees	Experience	148
	Offers locally grown produce & other packaged goods	Product	137
	Store resolves shopping /product/service issues immediately	Experience	116
	Pays attention to customers' special requests or needs	Experience	115
	Has a store layout that makes it easy for me to shop	Experience	109
	Has a Frequent Shopper Program that offers benefits	Experience	99
Least Important (ranking below 90)	Offers organic food of all kinds, including produce &…	Product	86
	Offers Private Labels/Store Brands	Product	71
	Offers a deli with prepared foods or "foods to go"	Product	71
	Offers a good selection of ethnic or cultural foods	Product	65
	Is active in and supports our local community	Experience	54
	Offers me mobile marketing (through the use of digital…	Experience	41
	Has nutrition & health information easily available near the…	Experience	38
	Has a pharmacy inside the store	Experience	27
	Offers online ordering with curbside pick-up and/or home…	Experience	22
	Has a dietician at the store	Experience	10

Experience
Product

BASE: ALL QUALIFIED RESPONDENTS (South Atlantic n=383)
Q6 Please indicate which of the following considerations will be most important and which will be least important when you are shopping for groceries over the next 12 months.

Scorecard: East South Central

East South Central 5%

Avg Age
46

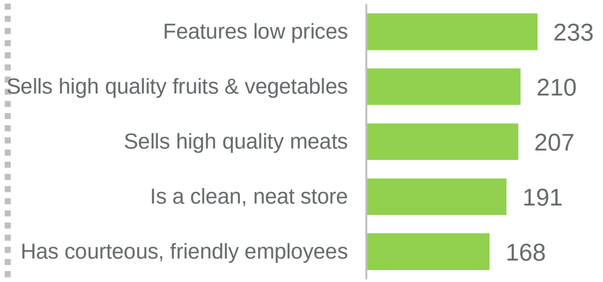
Gender
64% 36%

Race
73% White
12% Black
4% Hispanic
11% Other

Satisfaction
(Extremely/Very Satisfied)
52%

Likelihood of Switching Your Local Supermarket
(Somewhat/Very Likely)
13%

Trade Off Analysis



Most Important Fresh Foods Department

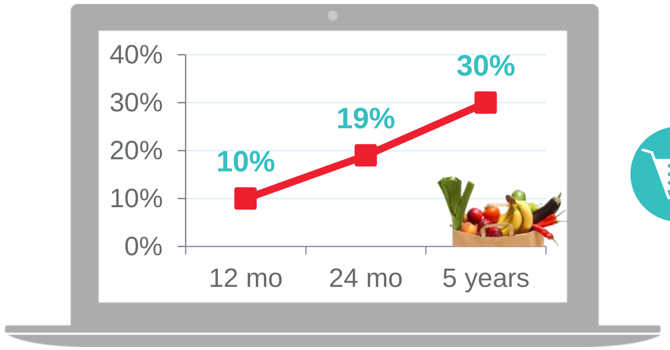
Produce	Beef	Dairy	Poultry
35%	34%	10%	10%

Social Networking Tools
used to gather or exchange information about foods

Facebook	Pinterest	YouTube
43%	30%	17%

7% Shop for Groceries Online

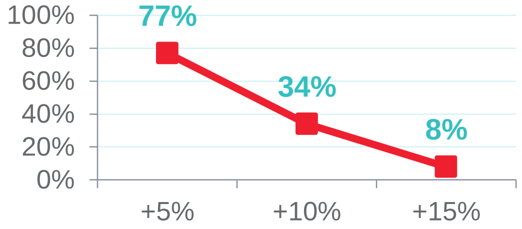
% Increase of Groceries Purchased Online



Business Critical Shopper Behaviors

- **78%** **Continue to shop at the store** instead of shopping online
- **74%** **Speak positively** about the local supermarket
- **75%** **Recommend** local supermarket to others **through word of mouth**
- **56%** **Support** local supermarket because it is linked to the **community**
- **44%** **Recommend** local supermarket to others **through social media**

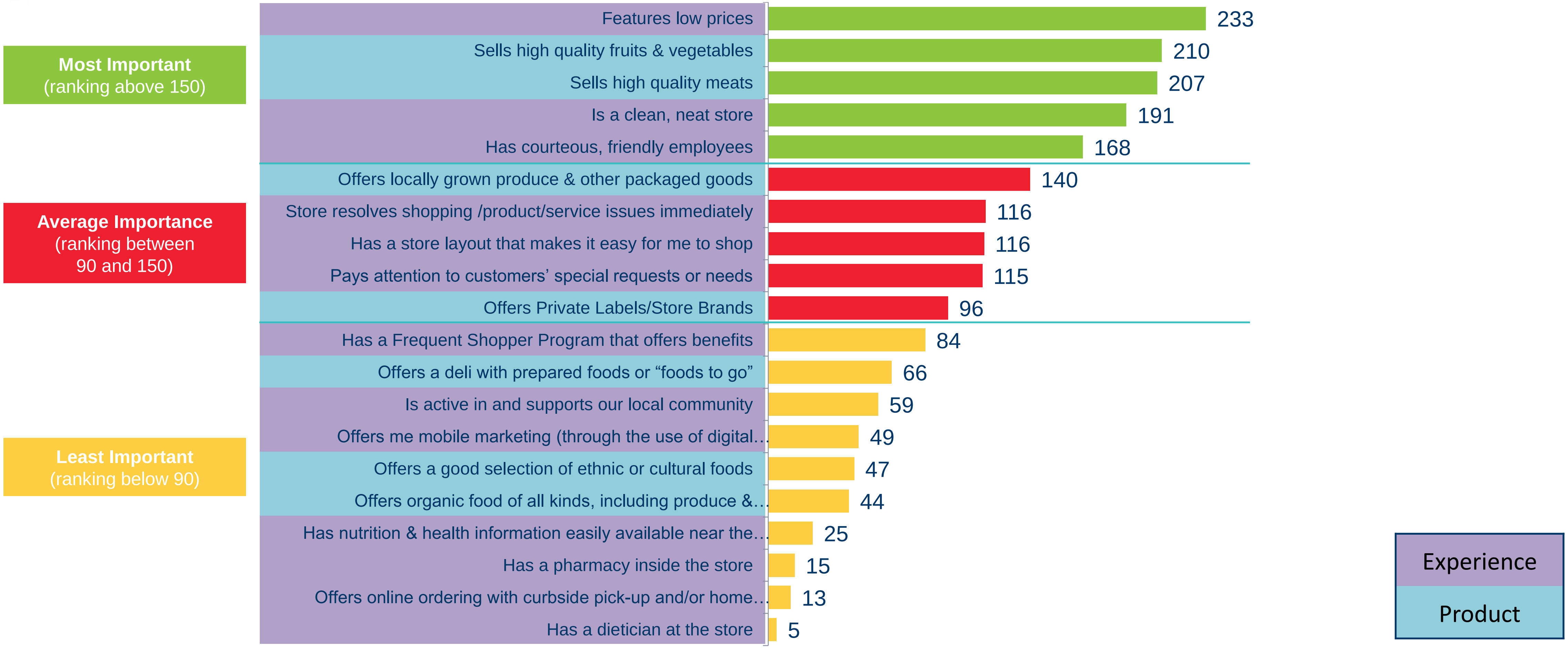
% of Shopper Base that Would Continue to Shop at Your Store Based on a x% Price Increase



Ways Local Supermarket Can Help to Maintain a Healthy Diet

Shelf tags with easily visible nutritional information	40%
Products for special diets (i.e., gluten free) that are clearly marked	34%
Greater assortment of natural/organic items	29%

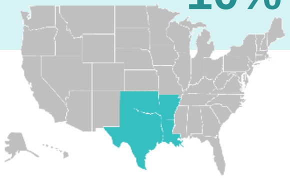
East South Central - Trade Off Analysis



BASE: ALL QUALIFIED RESPONDENTS (East South Central n=139)
Q6 Please indicate which of the following considerations will be most important and which will be least important when you are shopping for groceries over the next 12 months.

Scorecard: West South Central

West South Central 10%



Avg Age
45

Gender
52% 48%

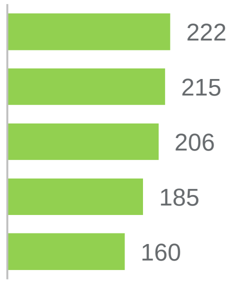
Race
60% White
10% Black
22% Hispanic
8% Other

Satisfaction
(Extremely/Very Satisfied)

Likelihood of Switching Your Local Supermarket
(Somewhat/Very Likely)

10%

Trade Off Analysis



Most Important Fresh Foods Department

Produce 43%
Beef 31%
Dairy 10%

Social Networking Tools
used to gather or exchange information about foods

Facebook 40%
YouTube 22%
Pinterest 20%

Business Critical Shopper Behaviors

85% **Continue to shop at the store** instead of shopping online

80% **Speak positively** about the local supermarket

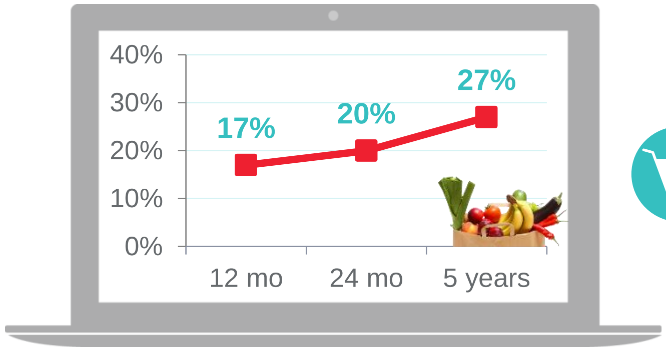
75% **Recommend** local supermarket to others **through word of mouth**

70% **Support** local supermarket because it is linked to the community

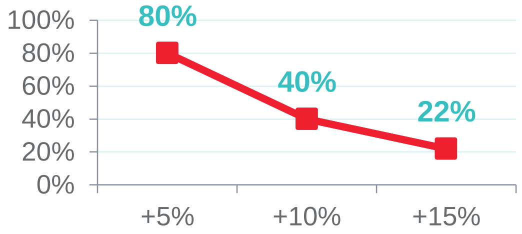
52% **Recommend** local supermarket to others **through social media**

7% Shop for Groceries Online

% Increase of Groceries Purchased Online



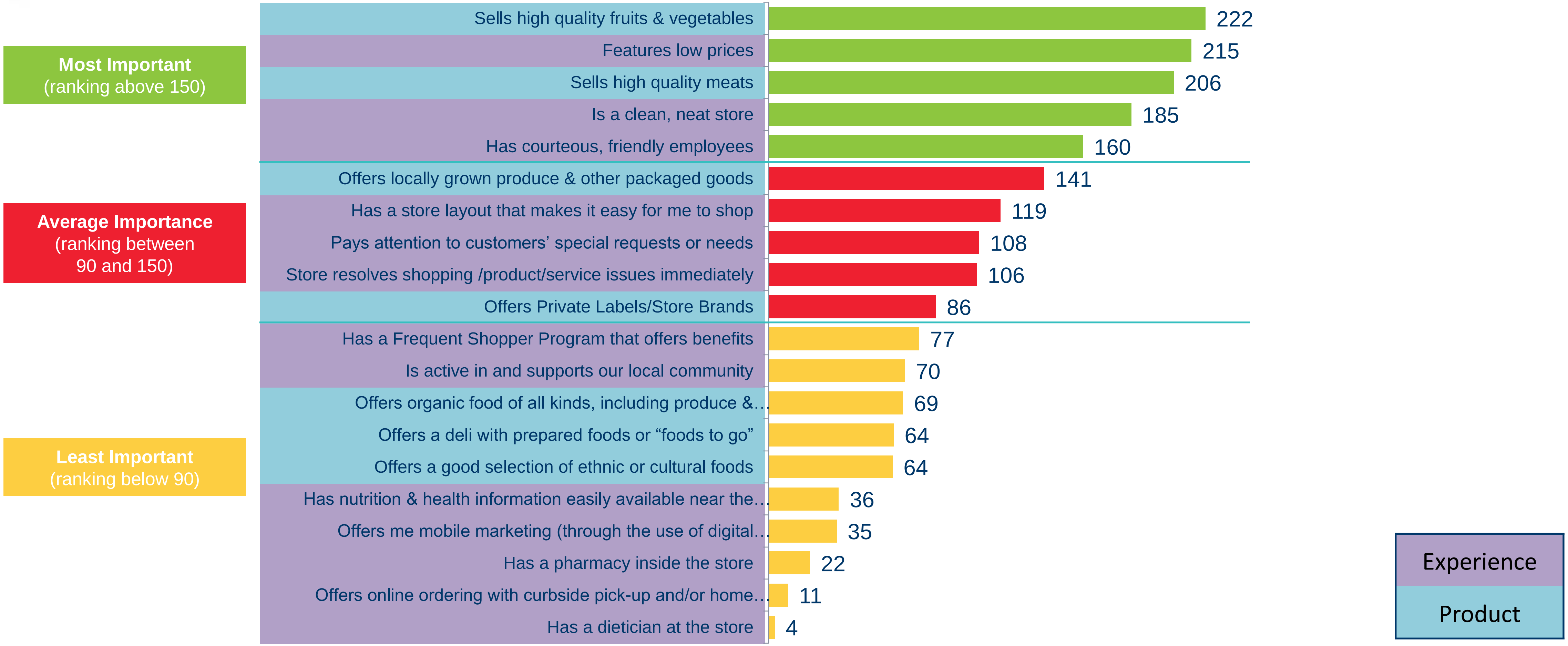
% of Shopper Base that Would Continue to Shop at Your Store Based on a x% Price Increase



Ways Local Supermarket Can Help to Maintain a Healthy Diet

Shelf tags with easily visible nutritional information	33%
Greater assortment of natural/organic items	31%
Products for special diets (i.e., gluten free) that are clearly marked	27%

West South Central - Trade Off Analysis

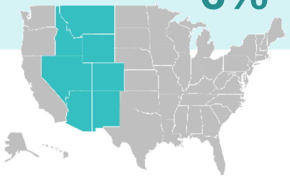


BASE: ALL QUALIFIED RESPONDENTS (West South Central n=298)

Q6 Please indicate which of the following considerations will be most important and which will be least important when you are shopping for groceries over the next 12 months.

Scorecard: Mountain

Mountain 6%



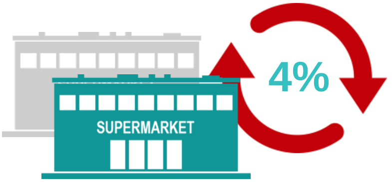
Avg Age
48

Gender
60% 40%

Race
68% White
5% Black
19% Hispanic
7% Other

Satisfaction
(Extremely/Very Satisfied)

Likelihood of Switching Your Local Supermarket
(Somewhat/Very Likely)



Trade Off Analysis

Features low prices	217
Sells high quality fruits & vegetables	214
Sells high quality meats	189
Is a clean, neat store	179
Has courteous, friendly employees	158

Most Important Fresh Foods Department

Produce	Beef	Dairy
51%	24%	9%

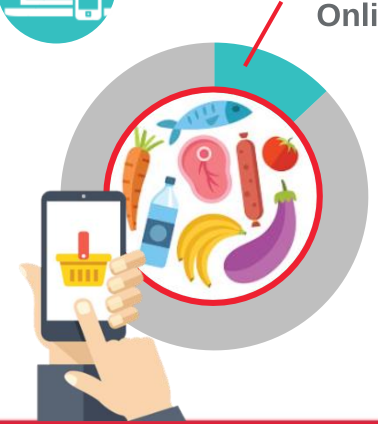
Social Networking Tools
used to gather or exchange information about foods

Facebook	Pinterest	YouTube
44%	28%	19%

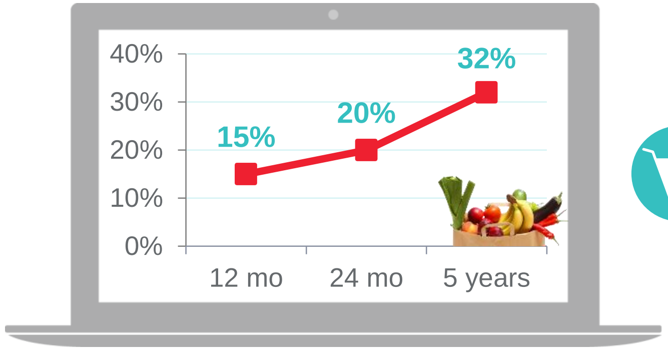
Business Critical Shopper Behaviors

- **85%** **Continue to shop at the store** instead of shopping online
- **82%** **Speak positively** about the local supermarket
- **76%** **Recommend** local supermarket to others **through word of mouth**
- **62%** **Support** local supermarket because it is linked to the **community**
- **49%** **Recommend** local supermarket to others **through social media**

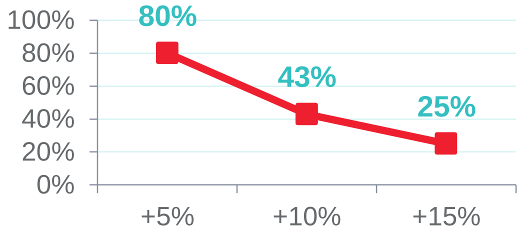
13% Shop for Groceries Online



% Increase of Groceries Purchased Online



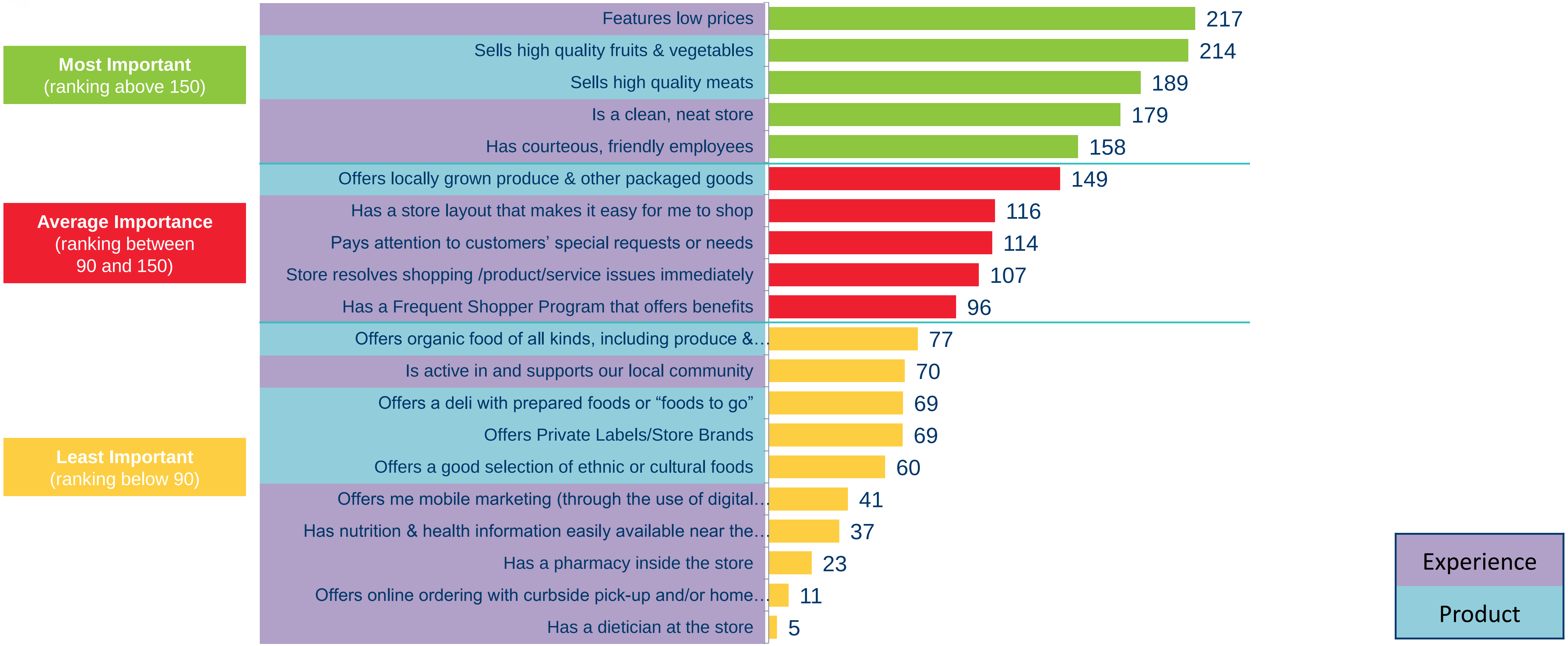
% of Shopper Base that Would Continue to Shop at Your Store Based on a x% Price Increase



Ways Local Supermarket Can Help to Maintain a Healthy Diet

Shelf tags with easily visible nutritional information	39%
Products for special diets (i.e., gluten free) that are clearly marked	39%
Greater assortment of natural/organic items	33%

Mountain - Trade Off Analysis



BASE: ALL QUALIFIED RESPONDENTS (Mountain n=171)
Q6 Please indicate which of the following considerations will be most important and which will be least important when you are shopping for groceries over the next 12 months.

Scorecard: Pacific

Pacific 16%

Avg Age
47

Gender
49% 51%

Race
45% White
5% Black
29% Hispanic
21% Other

Satisfaction
(Extremely/Very Satisfied)

63%

Likelihood of Switching Your Local Supermarket
(Somewhat/Very Likely)

12%

Trade Off Analysis

Sells high quality fruits & vegetables	226
Features low prices	215
Sells high quality meats	187
Is a clean, neat store	180
Offers locally grown produce & other packaged goods	157

Most Important Fresh Foods Department

Produce 48%
Beef 20%
Dairy 10%

Social Networking Tools
used to gather or exchange information about foods

Facebook 37%
YouTube 22%
Pinterest 20%

Business Critical Shopper Behaviors

86% **Continue to shop at the store** instead of shopping online

75% **Speak positively** about the local supermarket

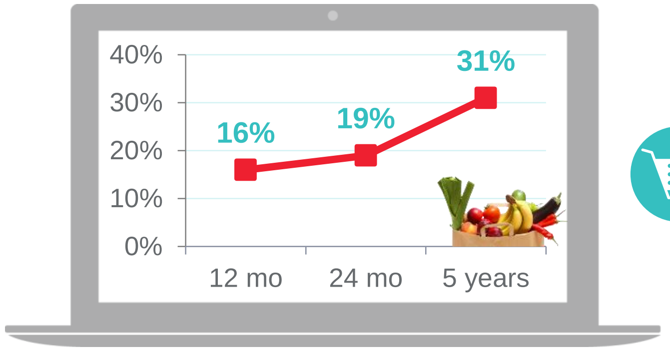
73% **Recommend** local super-market to others **through word of mouth**

59% **Support** local supermarket because it is linked to the **community**

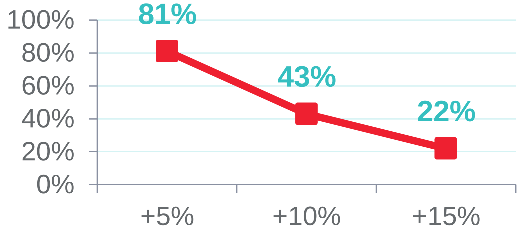
37% **Recommend** local super-market to others through **social media**

15% Shop for Groceries Online

% Increase of Groceries Purchased Online



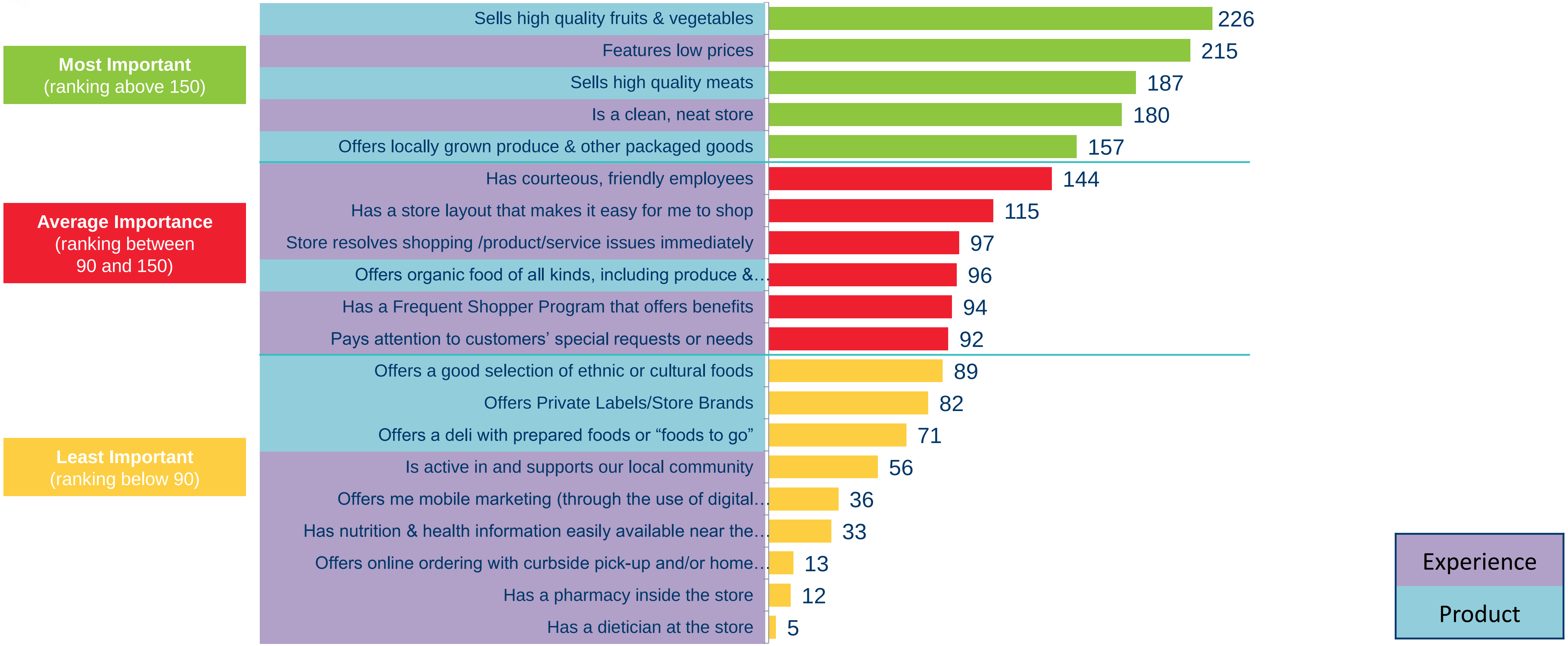
% of Shopper Base that Would Continue to Shop at Your Store Based on a x% Price Increase



Ways Local Supermarket Can Help to Maintain a Healthy Diet

Greater assortment of natural/organic items	40%
Shelf tags with easily visible nutritional information	36%
Products for special diets (i.e., gluten free) that are clearly marked	32%

Pacific - Trade Off Analysis



BASE: ALL QUALIFIED RESPONDENTS (Pacific n=474)
Q6 Please indicate which of the following considerations will be most important and which will be least important when you are shopping for groceries over the next 12 months.

Independent Shopper Demographic Profile

Shopper Demographics (n=3008)

Gender	Total
Male	47%
Female	53%
Age	
18 – 35	28%
36 – 50	24%
51 – 69	37%
70+	11%
Mean	48.9
Ethnicity	
White	65%
Hispanic	15%
Black/African American (NET)	11%
Marital Status	
Never married	23%
Married or civil union	53%
Divorced	12%
Separated	1%
Widow/Widower	5%
Living with partner	6%

Education	Total
High School or Less	27%
Attended College or College Degree	51%
Attended Graduate School or Graduate Degree	16%
Employment	
Employed full time	42%
Employed part time	10%
Self-employed	8%
Not employed, but looking for work	4%
Not employed and not looking for work	2%
Retired	19%
Not employed, unable to work due to a disability or illness	5%
Student	4%
Stay-at-home spouse or partner	7%
Income	
<$50K	35%
$50K < $75K	16%
$75K < $100K	13%
$100K+	30%
Decline to answer	7%

For Further Understanding of the 44k Independent Shopper Panel

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