LABELINSIGHT

FMI THE FOOD INDUSTRY ASSOCIATION

TRANSPARENCY TRENDS

OMNICHANNEL GROCERY SHOPPING FROM THE CONSUMER PERSPECTIVE

July 30, 2020
2:00pm ET

TRANSPARENCY TRENDS:

OMNICHANNEL GROCERY SHOPPING FROM THE CONSUMER PERSPECTIVE

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FMI Antitrust Compliance

- It is FMI's policy to comply in all respects with the antitrust laws.
- All participants in FMI meetings and events are expected to comply with applicable antitrust and competition laws.
- Avoid discussions of sensitive topics that can create antitrust concerns.
  - Agreements to fix prices, allocate markets, engage in product boycotts and to refuse to deal with third parties are illegal.
  - Discussions of prices (including elements of prices such as allowances and credit terms), quality ratings of suppliers, and discussions that may cause a competitor to cease purchasing from a particular supplier, or selling to a particular customer, should be avoided
  - No discussion that might be interpreted as a dividing up of territories
- It is important to avoid even the appearance of unlawful activity.
- **Questions or concerns?** Please consult with FMI staff.

Research Background

FMI and Label Insight present this research as a follow-up to research conducted in 2018. The earlier report established the growing importance of transparency and explored factors ranging from consumer preferences to shopper confusion.

This updated research delves deeper. It again focuses on transparency, but also probes shopper behaviors and perspectives more widely. In particular, it looks at the buying preferences and habits of omnichannel shoppers, those who buy both online and in-store. The findings indicate, for example, that perspectives on transparency and likes and dislikes about buying experiences are different when shopping online versus in physical stores.

METHODOLOGY

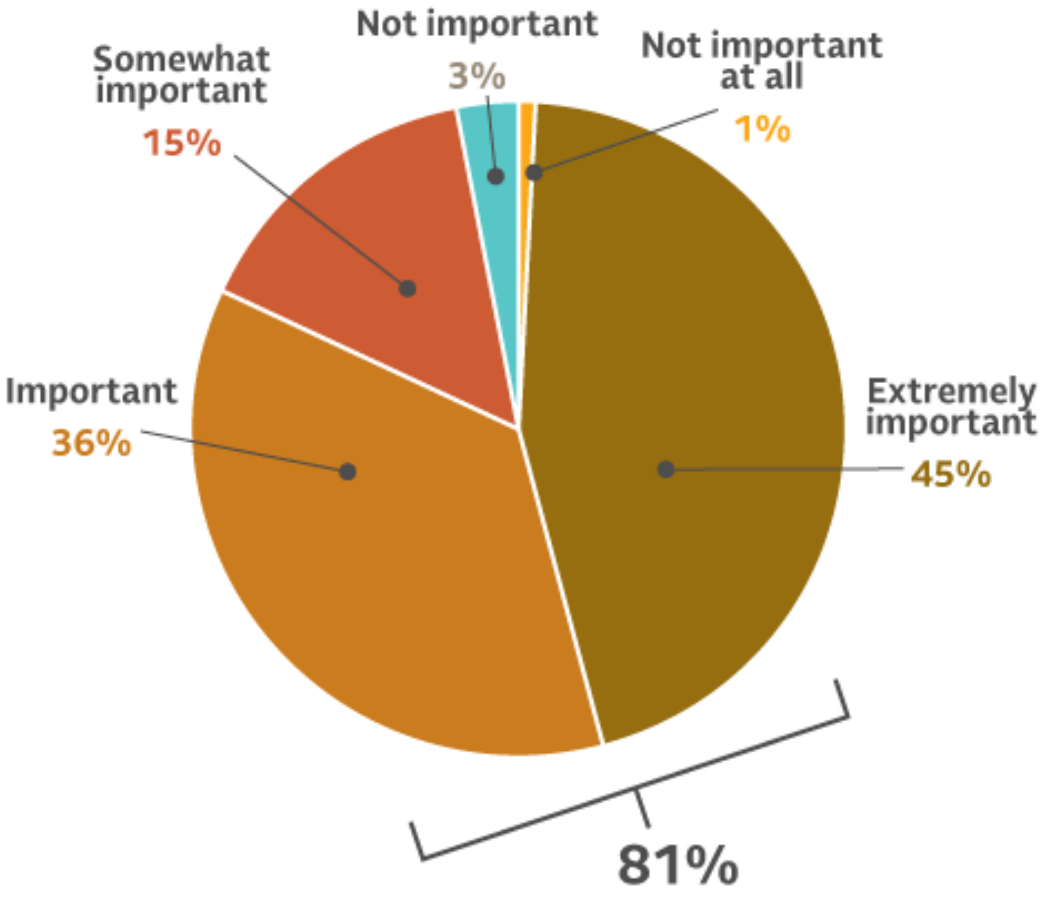
- In-depth interviews with omnichannel shoppers
- In-depth interviews with food retailers
- *Transparency Trends* survey
  - Online survey of 1,000 U.S. adults 18 or older
  - Conducted March 5 - 20, 2020
  - Shop online for groceries (omnichannel shoppers)

What we plan to cover

- TRANSPARENCY MATTERS
- TRANSPARENCY RESPONSIBILITIES
- HEALTHY, WELL AND WISE
- OMNISHOPPING
- TRANSPARENCY IN AN ONLINE WORLD

TRANSPARENCY MATTERS

IMPORTANCE OF TRANSPARENCY



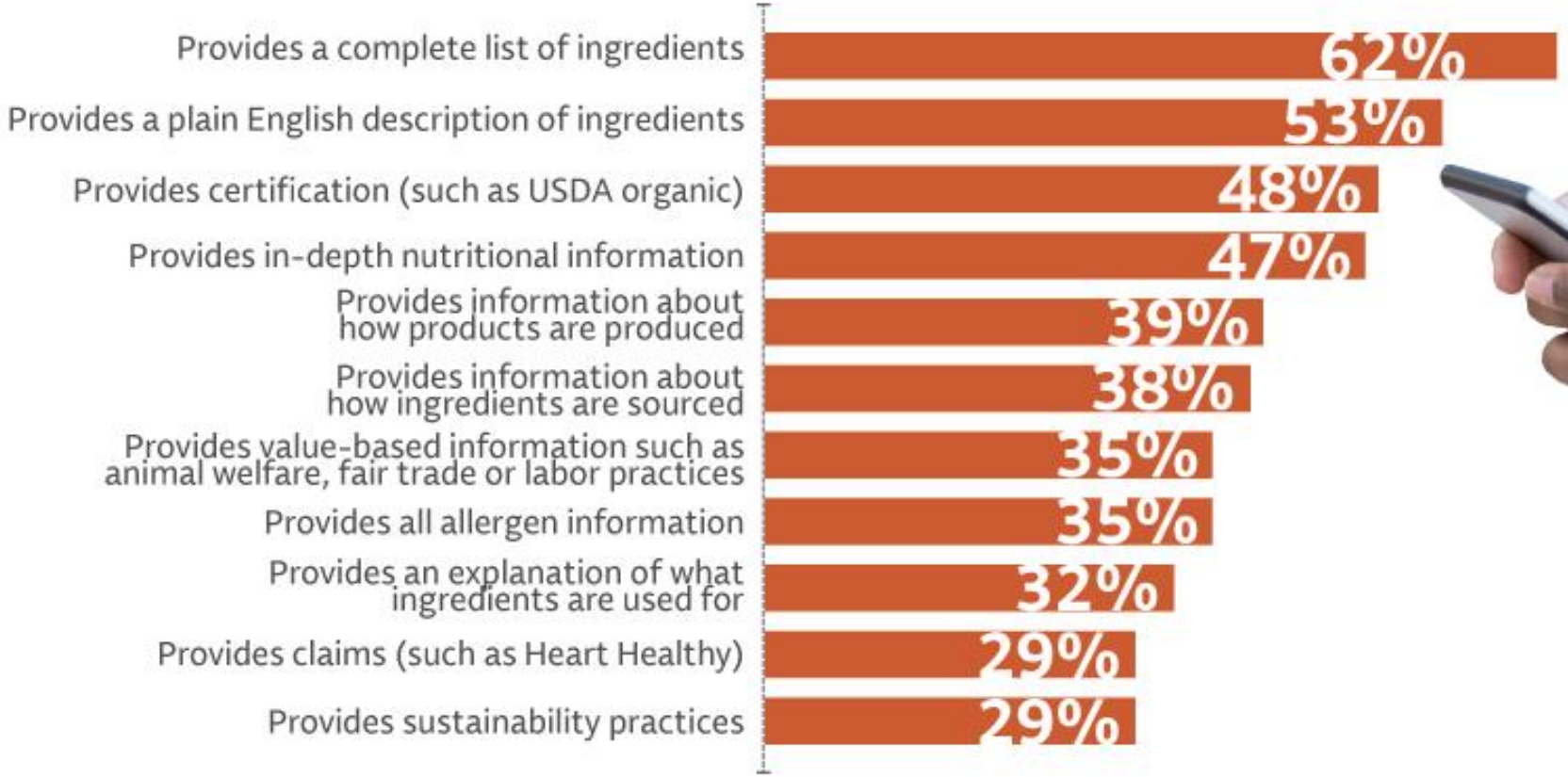
DEMOGRAPHICS **DEEP DIVE**

Those who place greater importance on transparency include:

- **MILLENNIALS (85%)**
- **GEN X (84%)**
- **Higher grocery spenders - $125/week (86%)**
- **Frequent online shoppers - order every two weeks or more frequently (84%)**
- **Have children in the household (87%)**
- **College graduates (85%)**
- **Higher household income - $100,000+ (88%)**

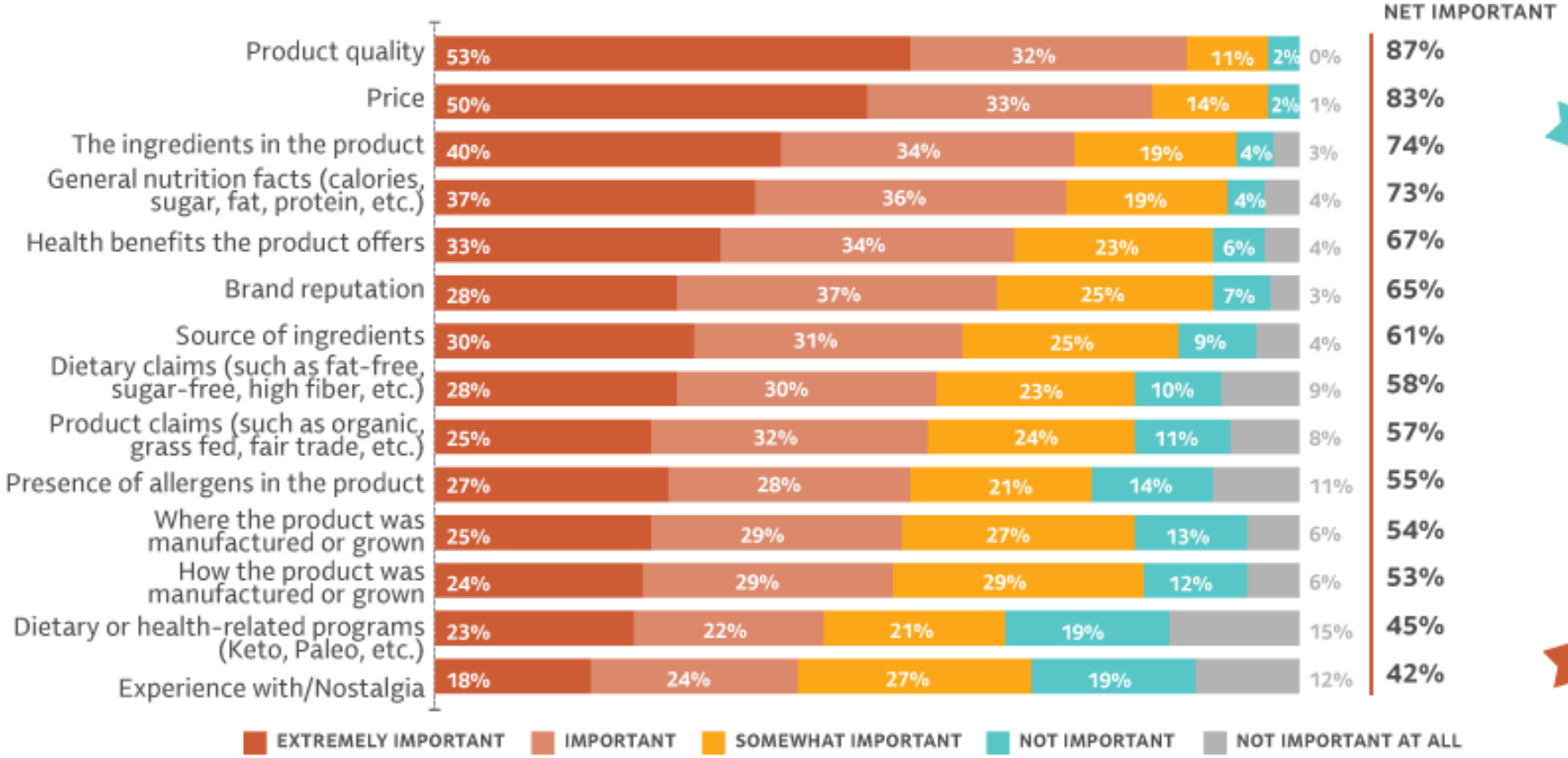
IMPORTANCE OF TRANSPARENCY

DETERMINING TRANSPARENCY



IMPORTANCE OF TRANSPARENCY

CONSIDERATIONS WHEN BUYING PRODUCTS ONLINE



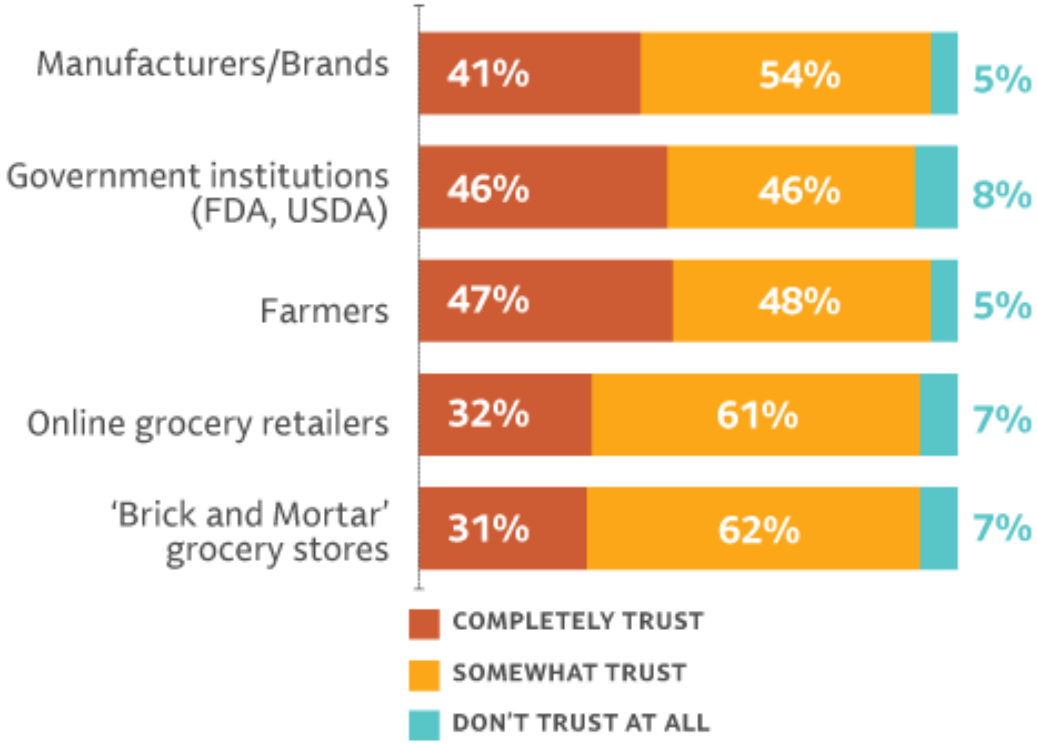
TRANSPARENCY MATTERS

TRANSPARENCY RESPONSIBILITIES

POLL QUESTION

TRANSPARENCY RESPONSIBILITIES

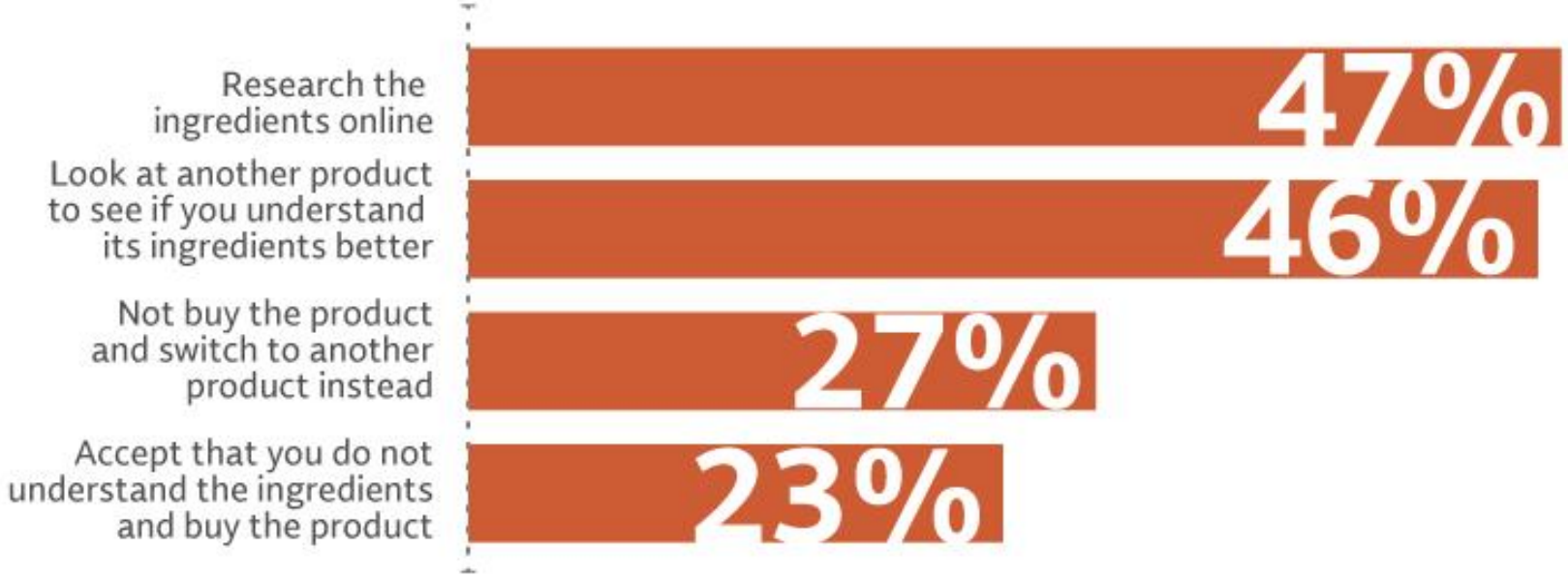
RESPONSIBILITY FOR AND TRUST IN PROVIDING PRODUCT INFORMATION



19. When it comes to informing you of detailed product information such as what is in your food, where it is from and how it was produced, how responsible are each of the following?
20. How much do you trust product information from each of the following?

TRANSPARENCY RESPONSIBILITIES

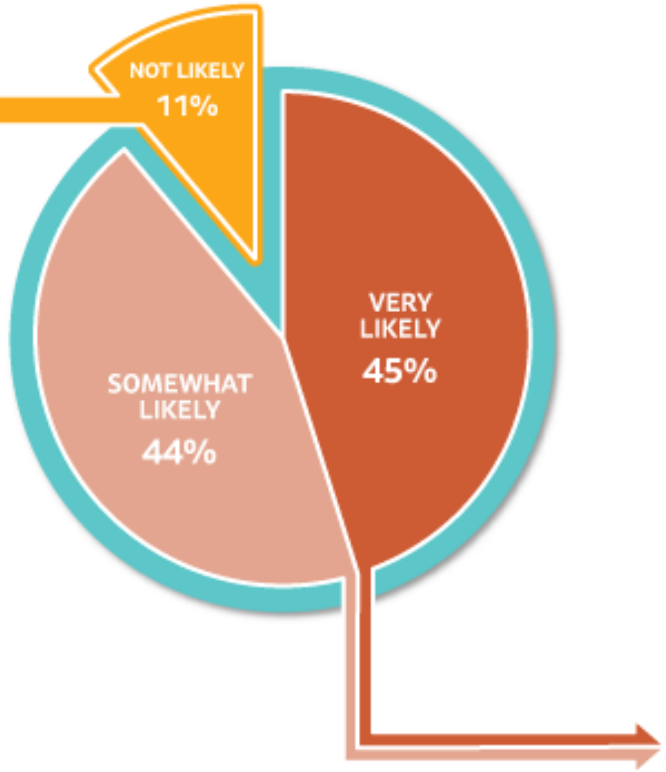
SHOPPER ACTION WHEN CONFUSED ABOUT A PRODUCT'S INGREDIENTS



21. If you find ingredients on the label that are confusing, what do you do? (Select all that apply)

TRANSPARENCY RESPONSIBILITIES

WOULD SEEK MORE INFORMATION ONLINE IF GIVEN THE OPPORTUNITY



Reasons don't seek more product info

5%	Everything I need to know about is already on the package
5%	I don't really care about this kind of information
5%	It would take too much time
1%	Everything I need to know about is already in-store or on the website

*Interested in learning more**

42%	Ingredient definitions
39%	Sourcing of ingredients
39%	In-depth nutritional info
36%	Production of ingredients
34%	Country of origin
32%	Manufacturing processes
30%	Company/brand information
28%	Usage instructions
24%	Company's practices regarding animal welfare
24%	The diets the product complies with
22%	Company's sustainability practices
20%	Addt'l certifications the products qualify for
20%	Company's social responsibility program
19%	Company's labor practices
18%	Company's trade practices
17%	In-depth allergen information beyond the Big 8
15%	How producers in developing countries are paid

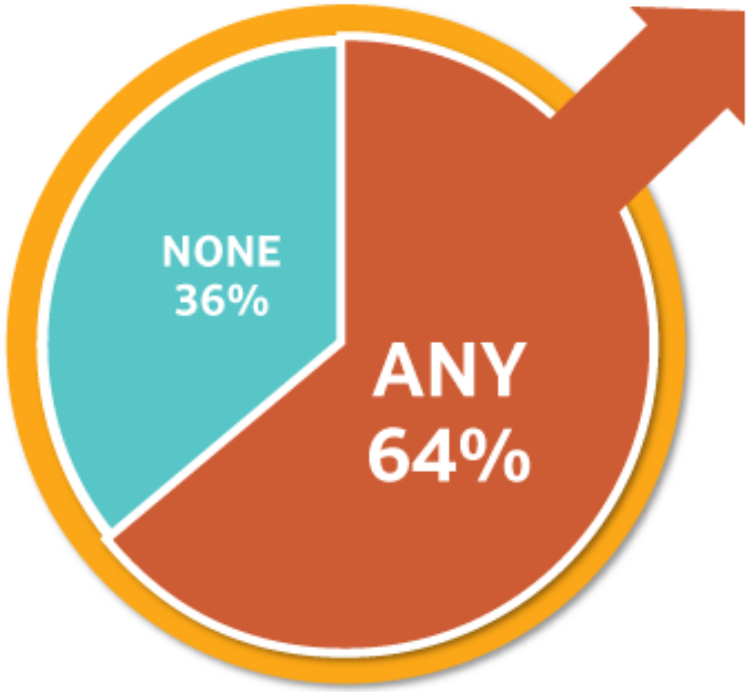
27. If a product you are considering purchasing (whether online or in-store) gave you the ability to access more information online about the product, how likely would you be to seek more specific product details?
28. You indicated that you were likely to seek more product information online. Which of these would you be interested in learning more about? (Select all that apply)
29. You indicated that you were not likely to seek more product information online. Why is that? (Select all that apply)

TRANSPARENCY RESPONSIBILITIES

HEALTHY, WELL and WISE

HEALTHY WELL and WISE

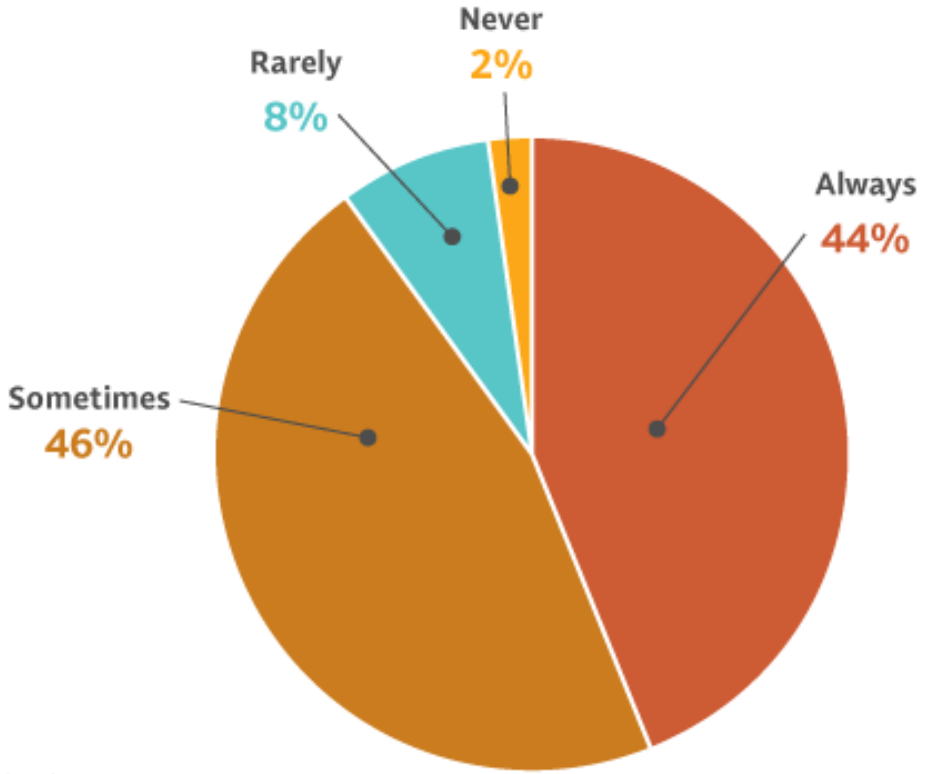
PROPENSITY FOR DIETS



TOP MENTIONS	
Low/No sugar	25%
High protein	21%
Low carb	20%
Heart-healthy	18%
Gluten-free	16%
High fiber diet	14%
Dairy-free	13%
Vegetarian	13%
Weight Watchers	11%
Vegan	9%
Ketogenic diet	9%
The Anti-inflammatory diet	7%
Flexitarian diet	7%
Mediterranean diet	7%
Jenny Craig	6%
Atkins diet	6%
Whole30	5%
Paleo	4%

23. Which, if any, of the following are diets or health-related programs that you or the people you shop for adhere to?

HOW OFTEN AN ONLINE SHOPPER SEARCHES A PRODUCT'S LABEL OR DESCRIPTION TO ENSURE MEETS DIET OR HEALTH GOAL

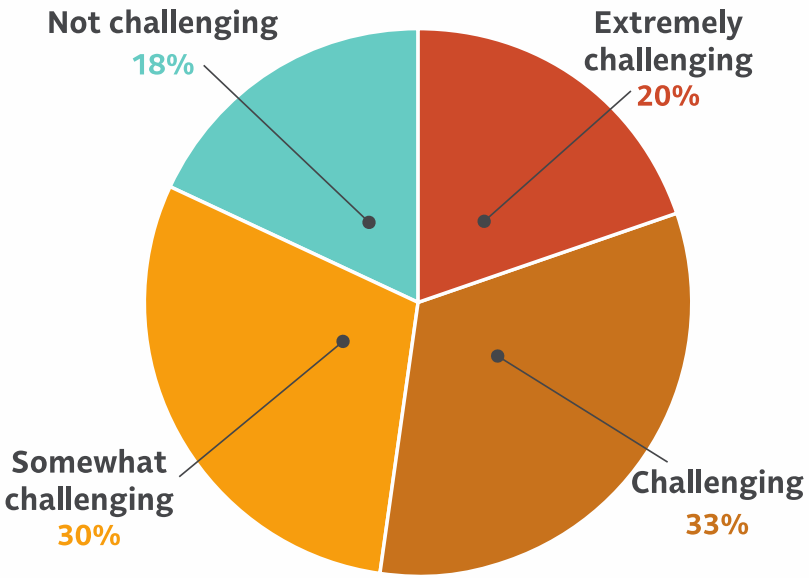


Base: Those on a diet or health-related program

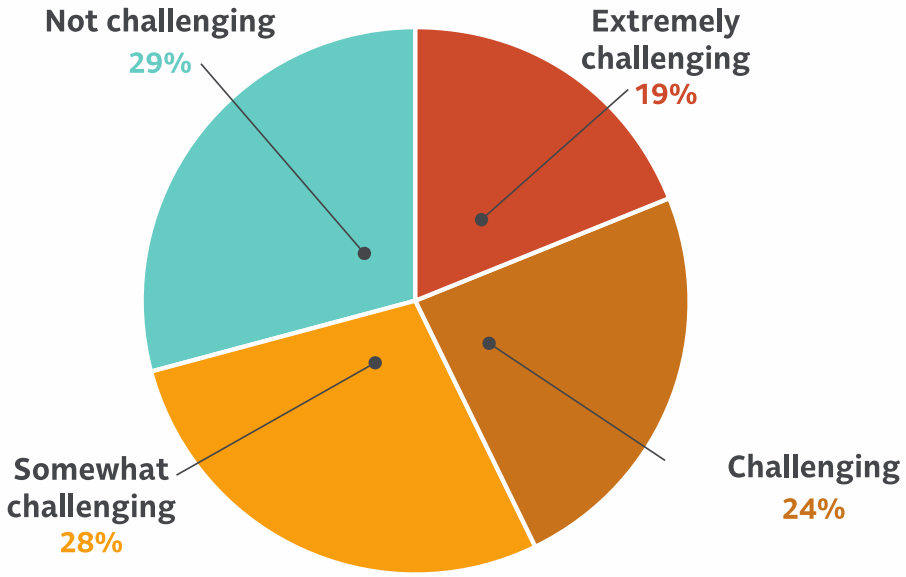
24. When shopping online, how often do you search a product's label or description to make sure the foods you buy meet your diet or health-related needs or goals?

EXPERIENCES SHOPPING FOR DIETS

Difficulty checking foods meet health goals online



Difficulty checking foods meet health goals in-store



Base: Those on a diet or health-related program

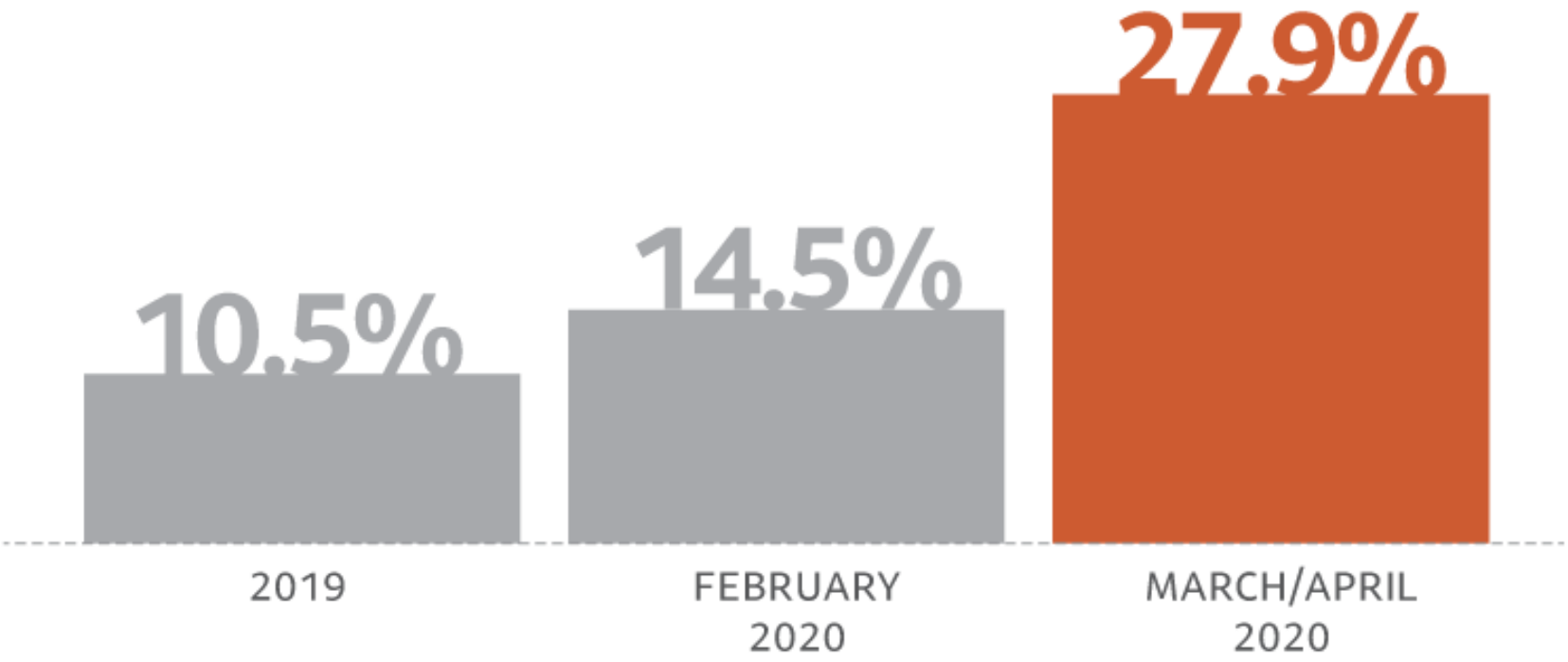
25. When shopping online, how challenging is it for you to make sure that a food product meets your diet or health-related needs or goals?
26. When shopping in-store, how challenging is it for you to make sure that a food product meets your diet or health-related needs or goals?

HEALTHY, WELL and WISE

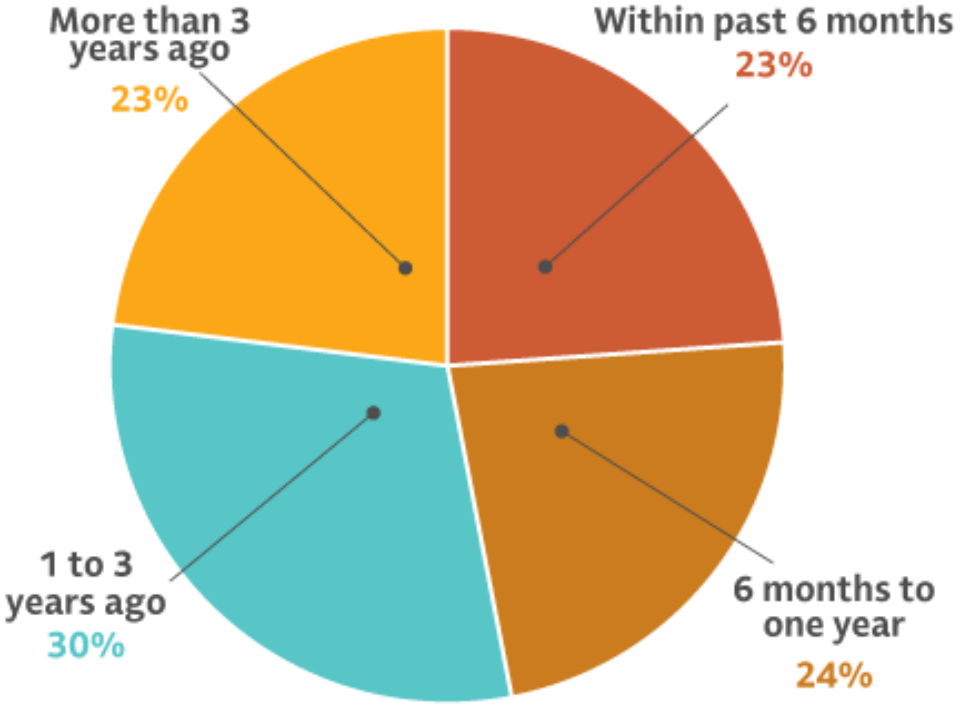
OMNISHOPPING

OMNISHOPPING

WEEKLY ONLINE GROCERY AS A PORTION OF ALL GROCERY SPENDING

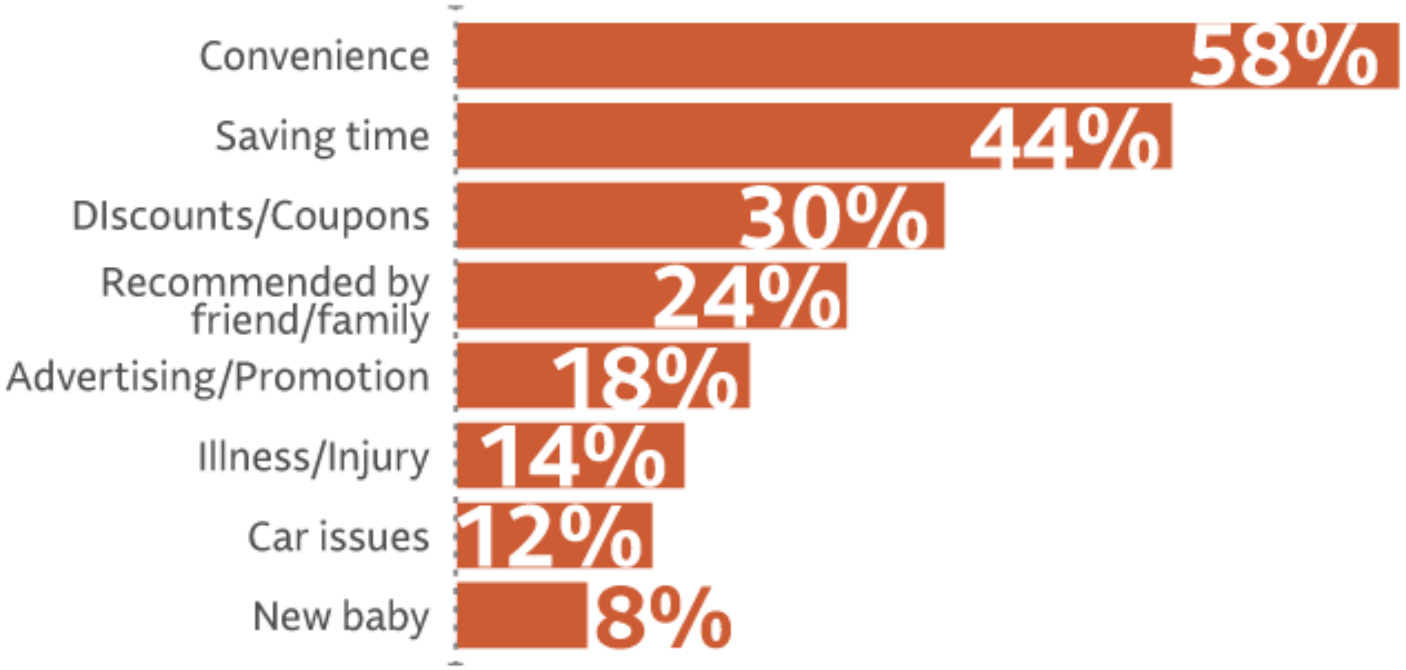


WHEN STARTED GROCERY SHOPPING ONLINE



34. When did you first start shopping for grocery type items online?

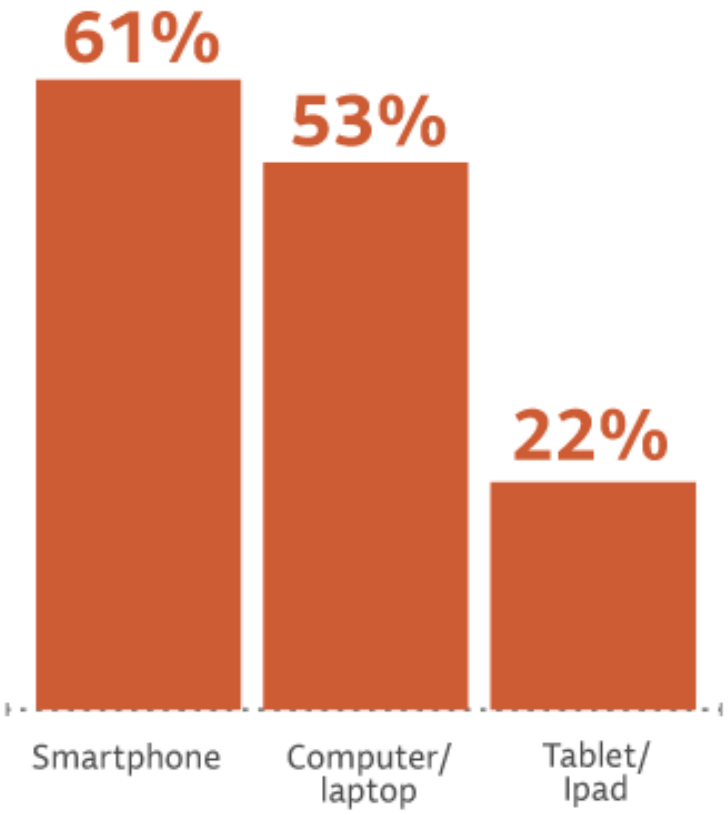
WHY STARTED GROCERY SHOPPING ONLINE



35. Thinking back to the very first time you purchased grocery type items online, what prompted you to do it?

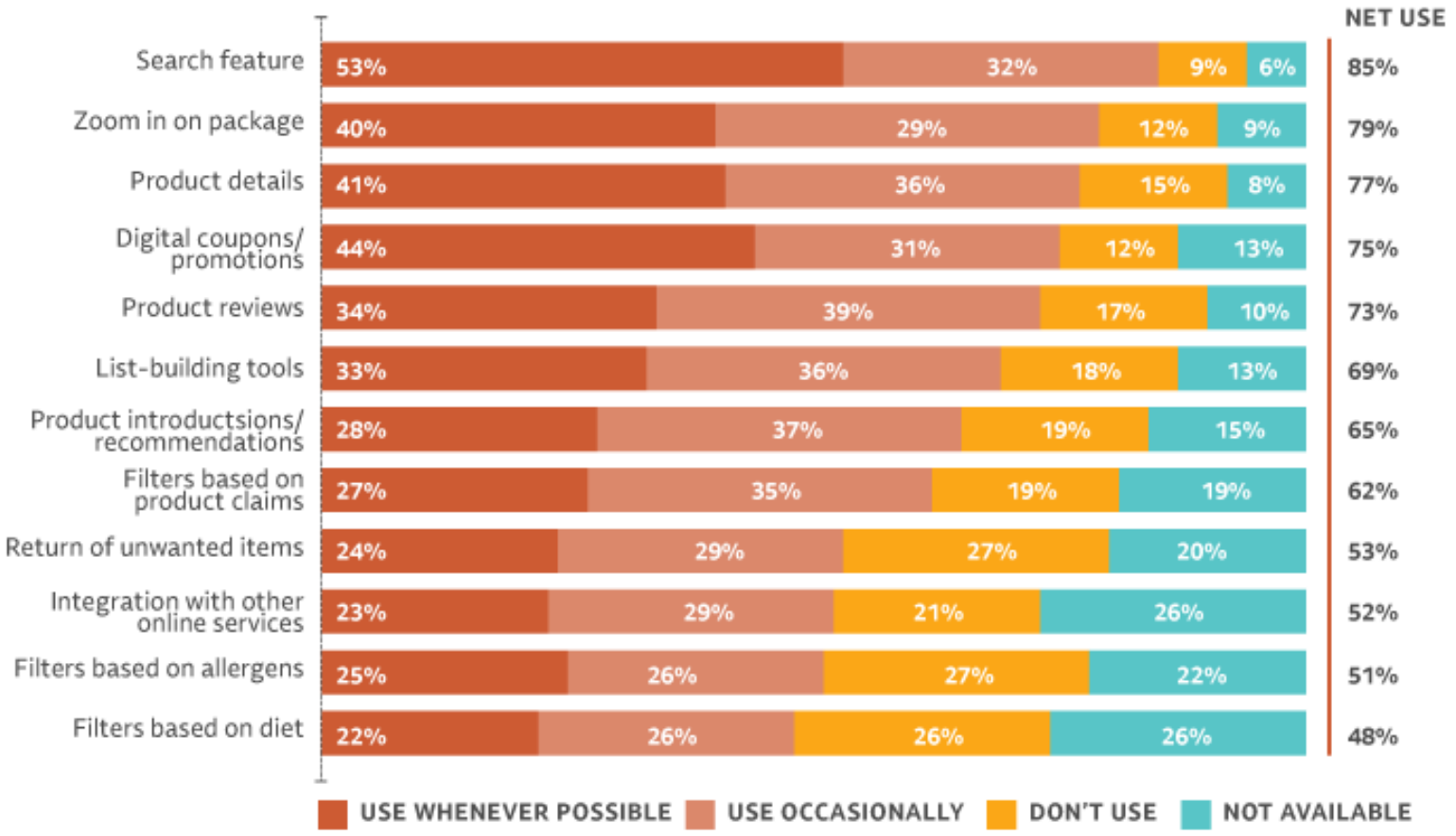
OMNISHOPPING

DEVICES USED



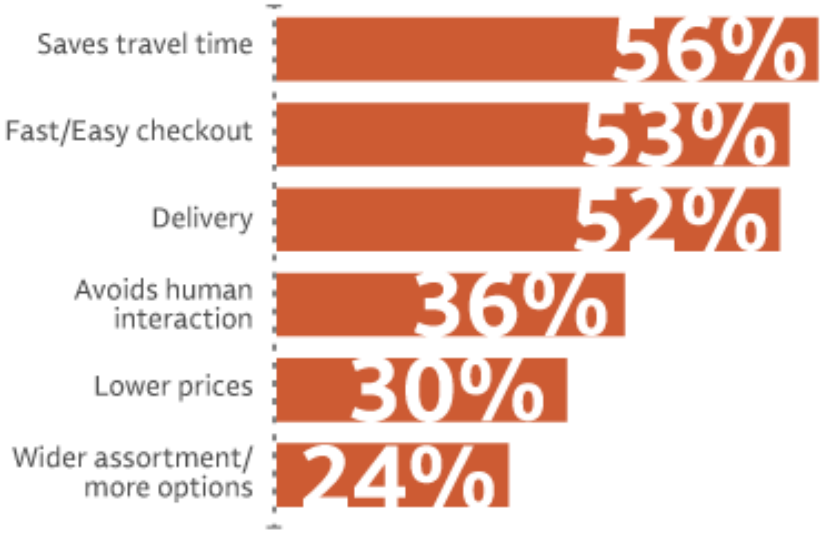
33. Which of these devices do you use for online grocery shopping?

FEATURES USED WHEN SHOPPING ONLINE



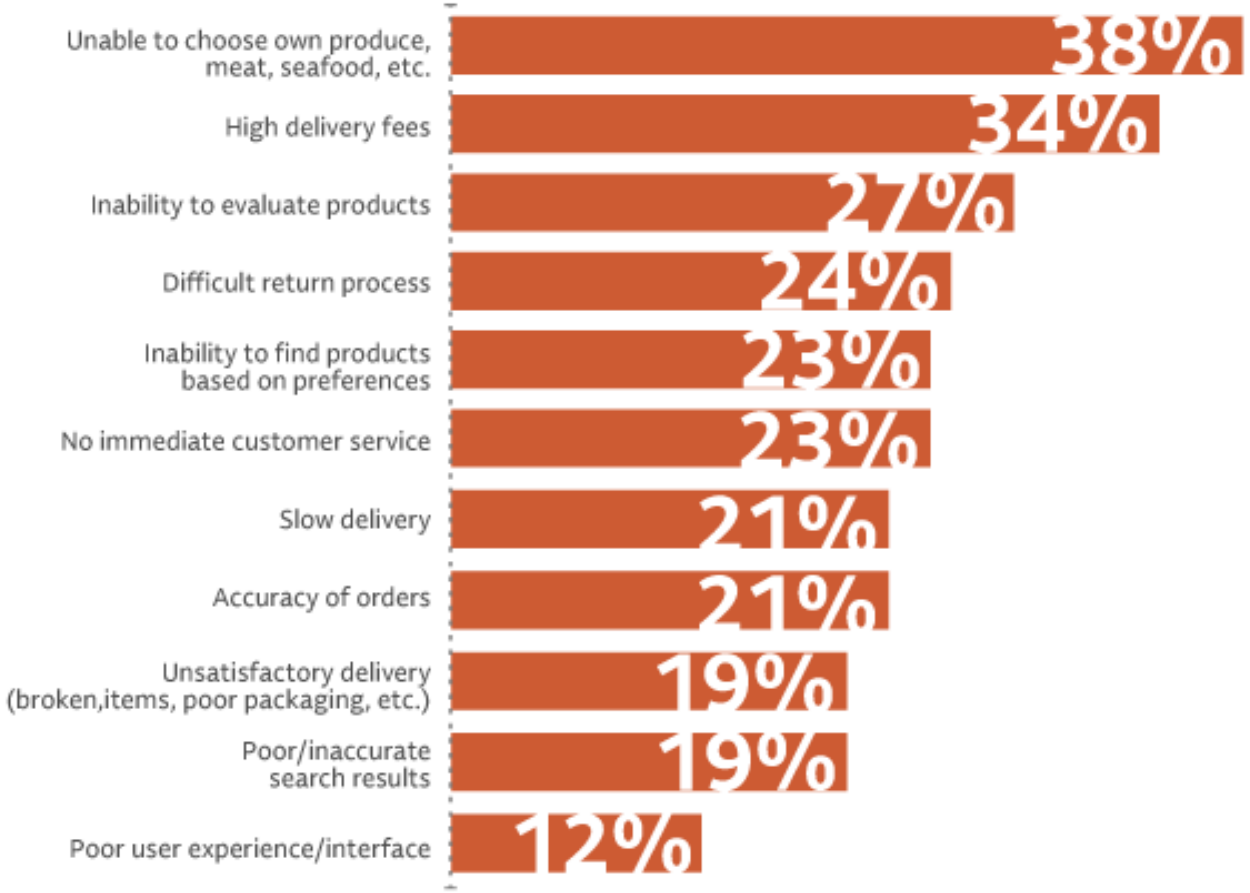
33. Which of these devices do you use for online grocery shopping?

LIKES OF ONLINE SHOPPING



39. What do you like about grocery shopping online

DISLIKES OF ONLINE SHOPPING



39. What do you dislike about grocery shopping online?

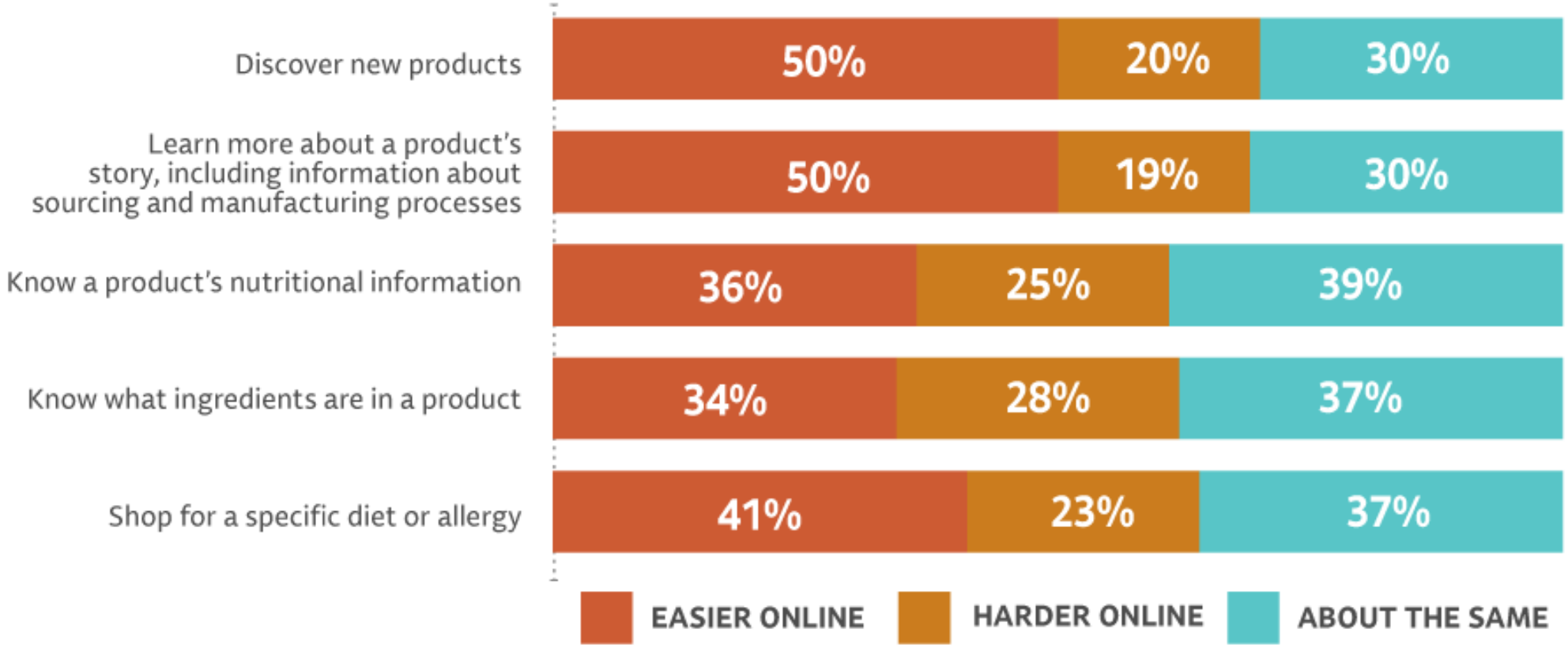
OMNISHOPPING

TRANSPARENCY IN AN ONLINE WORLD

POLL QUESTION

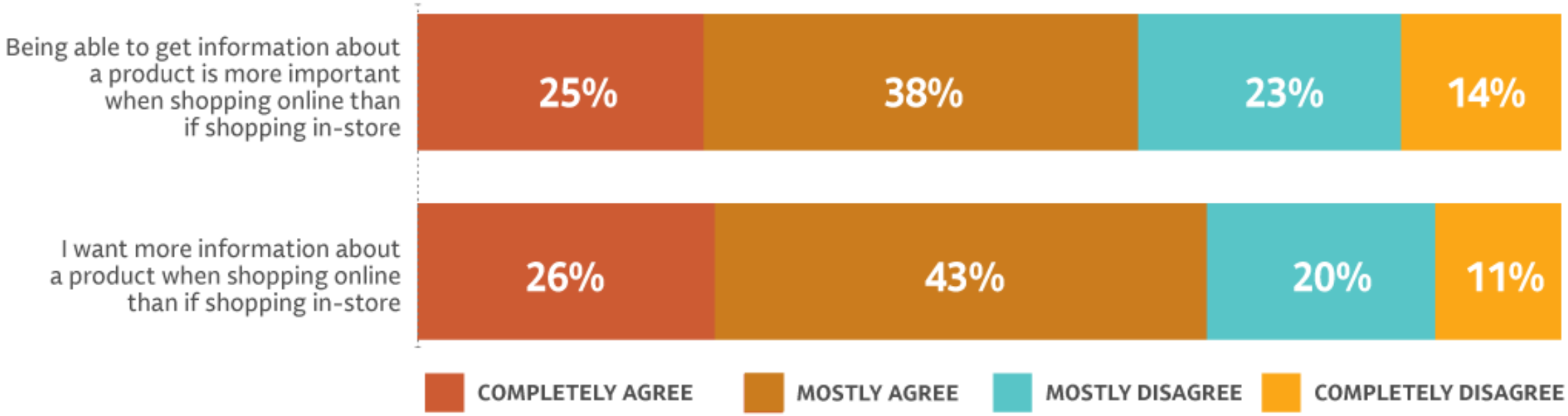
TRANSPARENCY IN AN ONLINE WORLD

RATING THE ONLINE SHOPPING EXPERIENCE VERSUS IN-STORE



TRANSPARENCY IN AN ONLINE WORLD

COMPARE AND CONTRAST ONLINE AND IN-STORE EXPERIENCE



TRANSPARENCY IN AN ONLINE WORLD

What we covered

- TRANSPARENCY MATTERS
- TRANSPARENCY RESPONSIBILITIES
- HEALTHY, WELL AND WISE
- OMNISHOPPING
- TRANSPARENCY IN AN ONLINE WORLD

Q&A

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thank you!

A copy of the presentation and recording will be available in the next few days.

To download a copy of the report, please visit the FMI store on **fmi.org**