U.S. Grocery Shoppers Trends: The Impact of COVID-19

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- 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

For more than four decades, FMI has been tracking the trends of grocery shoppers in the U.S., taking note of where they shop, how they shop and what issues are most important to them as food shoppers. Shortly after completing our 2020 data collection, the COVID-19 pandemic struck the U.S. FMI has and continues to track the impact of the pandemic by conducting ongoing research among grocery shoppers.

Methodology

Quantitative Research

• Initial U.S. Grocery Shoppers Trends online survey among n=2,000+ fielded February 7-27, 2020
• Initial U.S. Grocery Shoppers Trends COVID-19 tracker survey among n=1,000+ fielded March 21-26, 2020
• Subsequent waves of the U.S. Grocery Shoppers Trends COVID-19 tracker survey among n=1,000+ fielded:
  ➢ March 28 - April 2, 2020
  ➢ April 4 – 9, 2020
  ➢ April 15 – 25, 2020
What we plan to cover

COVID-19 Overview: Concerns and Disruptions

Changes in the Where, How and Who of Grocery Shopping

The Evolving Role of Online Grocery Shopping

Focus areas:
1) Feeding families 2) Demographic 3) Cooking/eating at home

Grocery Stores Rising to Meet Shopper Needs
COVID-19 Overview: Concerns and Disruptions
COVID-19 Overview: Concerns and Disruptions

- **Concern**: 92% 93% 94% 91%
- **Disruption**: 88% 89% 90% 89%
- **Job Loss/Reduction**: 33% 39% 40% 39%

**March 13-15**
- 3/13: President Trump declares national emergency

**March 21-26**
- 3/17: Stores nationwide start special hours
- 3/19: CA announces stay-at-home order

**March 28-April 2**
- 4/2: 6.6m filed unemployment claims previous week

**April 4-9**
- 4/15: Worldwide confirmed cases surpass 2 million
- 4/6: U.S. braces for ‘hardest and saddest’ week of pandemic

**April 15-25**
- 4/26: Warnings of meat shortages as plants close

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Changes in the Where, How and Who of Grocery Shopping
Changes in the **WHERE**, How and Who of Grocery Shopping

- **40%** Shop at fewer stores
- **28%** Shop more online
- **15%** Avoid stores I usually shop at
- **11%** Changed store shop at most frequently
- **10%** Shop at different type of stores
- **10%** No longer shop in-store

78% Of shoppers have made a change in **WHERE** they shop as a result of the COVID-19 pandemic

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Changes in the Where, **HOW** and Who of Grocery Shopping

89%

Of shoppers have made a change in **HOW** they shop as a result of the COVID-19 pandemic

44% ↑

- Spend more money each visit

32%

- Shopping trips are faster

25%

- Range of items bought is narrower

16%

- Spend more money online
Changes in the Where, How and WHO of Grocery Shopping

- Only one person shops when previously two or more shopped: 24%↑
- Someone outside household (relative/friend) shops: 11%
- Different person in household now shops: 3%

36% of shoppers have made a change in WHO shops as a result of the COVID-19 pandemic.
The Evolving Role of Online Grocery Shopping
The Evolving Role of Online Grocery Shopping

Online shopping in past month

- **49%** Ongoing
- **19%** Returning
- **8%** First time

Products bought for first time online among online shoppers

- Milk: 45%
- Dairy: 43%
- Bakery: 43%
- Deli: 41%
- Frozen: 41%
- Produce: 40%
- Bread: 39%
- Meat/Seafood: 38%

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The Evolving Role of Online Grocery Shopping

Online Grocery Shopping Methods among all grocery shoppers

<table>
<thead>
<tr>
<th>Method</th>
<th>First Time Shoppers</th>
<th>Ongoing Shoppers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Same/next-day home delivery</td>
<td>8%</td>
<td>10%</td>
</tr>
<tr>
<td>Home delivery using standard shipping</td>
<td>5%</td>
<td>12%</td>
</tr>
<tr>
<td>Pick-up curbside</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Pick-up in-store</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Subscribe for ongoing delivery</td>
<td>4%</td>
<td>8%</td>
</tr>
</tbody>
</table>

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The Evolving Role of Online Grocery Shopping

84% have encountered problems online shopping

Out of stocks
- 43% Paper products
- 43% Preferred foods
- 43% Limited quantities
- 42% Other items

Delivery
- 40% Delayed after ordering
- 20% No acceptable times for home delivery
- 19% No acceptable times for pick-up

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Focus areas

Concerns about Feeding Families: March 28 – April 2

Latinx and Black Grocery Shoppers: April 4 - 9

Cooking and Eating Healthy During a Pandemic: April 15 - 25
Concerns about Feeding Families

- 39% report changes to household members or finances
- 27% Reduced working hours or wages
- 10% Lost job
- 7% Change in who lives in household
- 5% Living in different home

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Concerns about Feeding Families

How concerned are you about having enough food for household?

20% of shoppers concerned about having enough money to pay for needed food.
Latinx and Black Shoppers Adjust their Grocery Shopping

Like U.S. grocery shoppers overall, Latinx and Black shoppers have adjusted their shopping patterns and priorities.

64% Latinx and Black grocery shoppers rate their primary store between 8-10 on their response to COVID-19.

24% of Black shoppers have tried online shopping for the first time since the COVID-19 pandemic.

24% of Latinx shoppers

Online Grocery Shopping Methods

<table>
<thead>
<tr>
<th></th>
<th>Latinx</th>
<th>Black</th>
<th>All Shoppers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordered groceries for curbside pick-up</td>
<td>29%</td>
<td>25%</td>
<td>32%</td>
</tr>
<tr>
<td>Ordered groceries for in-store pick-up</td>
<td>33%</td>
<td>36%</td>
<td>30%</td>
</tr>
</tbody>
</table>

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## Cooking and Eating Healthy During a Pandemic

### Changes to how consumers eat

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook MORE of my meals</td>
<td>41%</td>
</tr>
<tr>
<td>Plan MORE meals in advance</td>
<td>27%</td>
</tr>
<tr>
<td>Try new dishes MORE often</td>
<td>20%</td>
</tr>
</tbody>
</table>

### Cooking priorities during the COVID-19 pandemic

<table>
<thead>
<tr>
<th>Priority</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use up perishable foods before they go bad</td>
<td>44%</td>
</tr>
<tr>
<td>Minimize trips to the food store</td>
<td>42%</td>
</tr>
<tr>
<td>Minimize waste</td>
<td>37%</td>
</tr>
<tr>
<td>Get enough basic nutrition</td>
<td>37%</td>
</tr>
<tr>
<td>Have something interesting to eat</td>
<td>36%</td>
</tr>
<tr>
<td>Have something comforting to eat</td>
<td>33%</td>
</tr>
</tbody>
</table>

36% of shoppers report healthier eating habits, compared to before COVID-19 became a national concern.

Only 13% say their eating habits are less healthy now.
Grocery Stores Rising to Meet Shopper Needs
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**Shopper concerns:**

- 70% Getting ill
- 57% Items out-of-stock
- 38% Prices rising

**More likely to use a food retailer if:**

- 78% Sanitization (general, carts, checkout)
- 38% Minimize/limit number of shoppers
- 33% Special hours
- 32% Minimize employee handling of food
- 30% Provide fresh produce and meat

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Grocery Stores Rising to Meet Shopper Needs

While some products remain unavailable, consumers report a decrease in the magnitude of out-of-stocks.

- **March 21-26**: 46% MANY products unavailable, 40% SOME products unavailable
- **March 28-April 2**: 38% MANY products unavailable, 49% SOME products unavailable
- **April 4-9**: 36% MANY products unavailable, 50% SOME products unavailable
- **April 15-25**: 29% MANY products unavailable, 56% SOME products unavailable
Grocery Stores Rising to Meet Shopper Needs

How would you rate your primary store’s response to COVID-19?

March 21-26: 65%
March 28 - April 2: 68%
April 4-9: 69%
April 15-25: 73%

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Grocery Stores Rising to Meet Shopper Needs

Thank you

Great job

Out of stock

Limit items

Clean stores

Social distancing

Special hours

Limit shoppers in store

Masks for employees

Protection employees

Delivery windows

Online

Hoardings

Toilet paper

Sanitary wipes

Check in stock

Shopping carts

Grocery Stores Rising to Meet Shopper Needs

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Thank you