U.S. GROCERY SHOPPER

TRENDS 2015

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THE VOICE OF FOOD RETAIL

Feeding Families Enriching Lives

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Food Marketing Institute proudly advocates on behalf of the food retail industry. FMI's U.S. members operate nearly 40,000 retail food stores and 25,000 pharmacies, representing a combined annual sales volume of almost $770 billion. Through programs in public affairs, food safety, research, education and industry relations, FMI offers resources and provides valuable benefits to more than 1,225 food retail and wholesale member companies in the United States and around the world. FMI membership covers the spectrum of diverse venues where food is sold, including single owner grocery stores, large multi-store supermarket chains and mixed retail stores. For more information, visit www.fmi.org and for information regarding the FMI foundation, visit www.fmifoundation.org.

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Executive Summary

Introduction

The dynamic process of how we in the U.S. get our food continues to be shaped and reshaped by modern lifestyles, changing families, digital technologies and heightened awareness of the health and environmental consequences of food. With fewer traditional rules to discipline consumer choices and routines today, the relationship between shopping and eating has been changing: Americans increasingly shop without planning and eat without shopping. They devote their loyalty to products with stories, but divide their loyalties across channels and stores. Food retailers increasingly must bend and flex within the shifting shopper landscape to align supply and demand realities with product, service and merchandising opportunities.

The Food Marketing Institute has long supported U.S. food retailers through annual surveys of shopper behaviors and attitudes, providing consistent metrics to evaluate the changing market landscape. In recent years, FMI has supplemented its year-over-year survey research perspective with a cultural lens, interviewing Americans in their homes and while shopping, and drawing upon ethnographic research into U.S. food consumption and consumers.

As we seek to illuminate how evolving shopper attitudes and behaviors translate into large-scale shifts that affect supermarket revenues and growth, we must also feel out places where the light of our assumptions doesn't reach. In fact, careful attention to shopper data and shopper stories has revealed some changes so fundamental that they warrant new ways to collect data and listen to stories, as well as new strategies to succeed by meeting eating needs.

This year's study focuses on a deep shift in shopping and important mealtime distinctions, and provides updates along the way about long- and short-term trends for food retailers to watch. This includes:

- Status check on current trends influencing shoppers and shopping
- How trends are coalescing into a new Shared Shopper Paradigm
- Mealtime distinctions and the case for Family Meals
- Updates to shopper values and trends, including the convergence of personal health and community wellness ideals

Methodology

The report that follows draws on the extensive database of past FMI annual surveys while highlighting new insights through a combination of quantitative and qualitative research conducted in the first quarter of 2015. New survey data was collected in the U.S. from a total of 2,265 regular shoppers of groceries, 18 years and older, through a 25-minute online survey. For deeper context, a mix of qualitative approaches including in-home and in-store interviews and online journaling was used to capture insights from a total of 15 additional consumers from 10 multi-shopper households. Additional analysis was conducted with U.S. Census and USDA data sets on consumer spending, health, and eating, and 2013-2015 Hartman Group ethnographic and survey research into eating and shopping.

Shoppers utilize multiple sources for information on food safety standards and recalls

The Internet (65%) and friends and family (58%) are the primary sources shoppers cite for learning about food safety standards and practices (see Table 4.5). However, when it comes to food recalls, television remains the most widely used information source (see Chart 4.10).

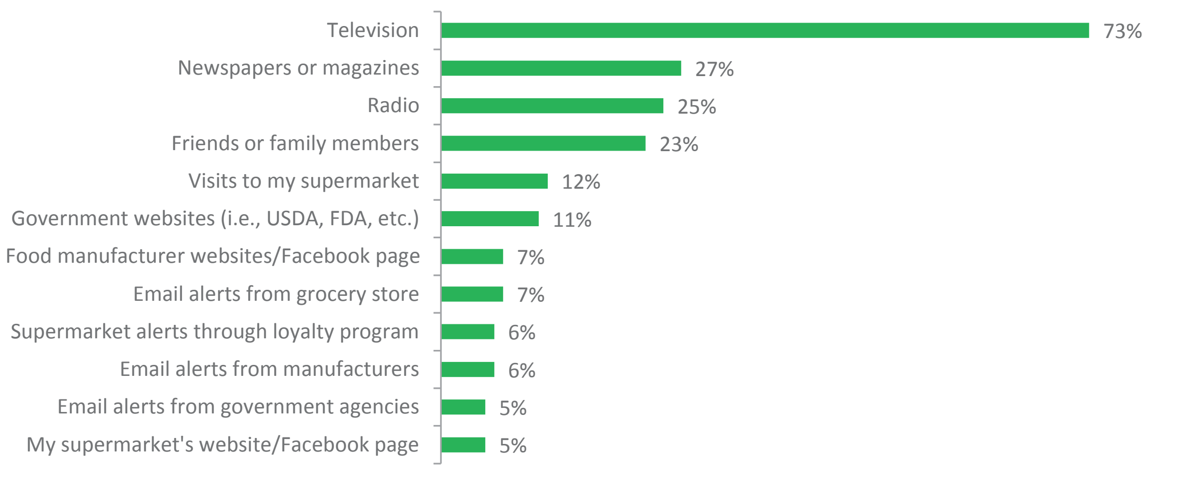
Shoppers accept a proactive recall-communications strategy from retailers, as they assign retailers an active role in ensuring food safety standards. However, while 58% of consumers would prefer email notifications, only 7% report they actually receive recall notifications from grocery stores via this method (see Charts 4.10 and 4.11). This suggests that expanded or enhanced email outreach regarding recalls would help retailers better align with shopper communications preferences. Additionally, shoppers want to see recall notifications within the store at the shelf (40%) and at checkout registers (26%).

TABLE 4.5: WHO CONSUMERS CONSULT WITH TO LEARN ABOUT SAFE HANDLING OF FOOD

		Gender		Age cohort			
Number of Shoppers: n=1,164	Total	Male	Female	Matures 70+	Boomers 51-69	Gen X 37-50	Millennials 18-36
Internet	**65%**	64%	66%	46%	58%	66%	77%
Friends and family	**58%**	56%	60%	52%	53%	58%	66%
Grocery store	**48%**	50%	48%	60%	50%	47%	44%
Doctor	**47%**	49%	45%	56%	46%	41%	49%
Nutritionist/Dietician	**45%**	45%	45%	39%	42%	44%	50%
Books	**42%**	41%	42%	36%	40%	40%	47%
Television	**31%**	32%	31%	28%	30%	32%	33%
Pharmacist	**28%**	32%	25%	32%	30%	26%	27%
Magazines	**28%**	27%	28%	24%	30%	27%	28%
Newspaper	**26%**	28%	25%	32%	28%	23%	25%
Radio	**14%**	14%	13%	12%	16%	14%	12%

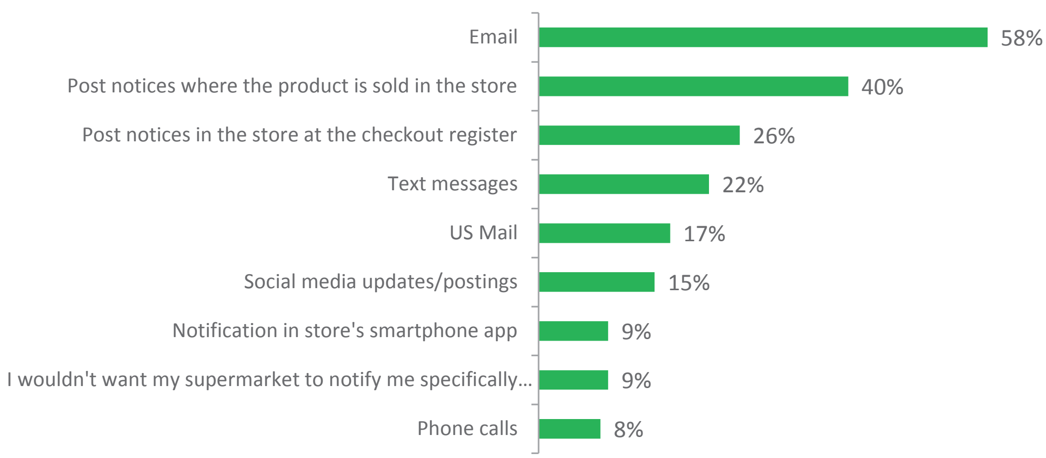
Source: FMI U.S. Grocery Shopper Trends, 2015. Q: "How likely are you to consult the following to learn about the safe handling of food?" top-2 box (somewhat/very likely). n=1,164. (See Appendix: Table A.55)

CHART 4.10: HOW SHOPPERS LEARN ABOUT FOOD PRODUCT RECALLS



Source: FMI U.S. Grocery Shopper Trends, 2015. Q: "How likely are you to consult the following to learn about the safe handling of food?" Q: "From which of the following sources do you typically hear about food product recalls?" n=1,164. (See Appendix: Table A.57 and A.58)

CHART 4.11: PREFERRED COMMUNICATION ABOUT RECALLS FROM SUPERMARKET



Source: FMI U.S. Grocery Shopper Trends, 2015. Q: "If you had your choice, how would you prefer to receive these food safety recall alerts?" n=1,164. (See Appendix: Table A.57 and A.58)