



Beyond the Supermarket Shelves

*How consumers navigate the
grocery shopping experience
online and in-store*



**POWER
REVIEWS**

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Introduction

Once upon a time, when a family ran out of milk, bread and eggs, the parents had no choice but to load up the kids and drive to the local grocery store to restock. Today, however, consumers have a growing number of online grocery shopping options, including meal boxes such as Blue Apron, online services such as Instacart and Shipt, and more traditional grocers adopting “click and collect” options—which allow consumers to order online and pick up in-store. And that’s just to name a few. With the news of Amazon acquiring Whole Foods for \$13.7 billion—as well as the ecommerce giant entering the meal kit space—the trend of shopping online for groceries will only accelerate. In fact, an analyst at Cowen predicts that online grocery sales will increase from \$71 billion this year to \$177 billion in 2022.

But in-store grocery shopping certainly isn’t dead. The majority of grocery purchases continue to occur within the four walls of a store. And the consumers who have adopted online grocery shopping haven’t abandoned the supermarket

altogether. Clearly, there continues to be tremendous value in brick and mortar grocery retail—largely because grocery shopping is a highly sensory experience.

In the midst of the growing number of shopping options, how are today’s consumers navigating the grocery shopping experience both online and in-store? And what information are they seeking out to help them make better purchase decisions?

In 2017, PowerReviews conducted a survey to explore the grocery shopping habits of American consumers. The following report explores the results of this research and provides recommendations for retailers to better attract, convert and retain grocery shoppers across channels, in an increasingly competitive space.



The Current State of Grocery Shopping



Most Consumers Still Shop In-Store

Ecommerce continues to be a major driver of retail growth. But although more and more consumers crave the convenience of shopping online, a majority still opt to visit a brick and mortar store to purchase their groceries.

Of the consumers we surveyed, 17% have purchased groceries online in the last 90 days. In comparison, 90% have purchased groceries in a physical store during the same time period.

Brick and Mortar Still Rules

Where consumers are shopping for groceries

*respondents could select all that apply





Online Shoppers Aren't Abandoning Brick and Mortar Stores

Though a growing number of consumers are making grocery purchases online, that's not to say these savvy shoppers are abandoning the supermarket altogether. In fact, 92% of online grocery shoppers have also made an in-store grocery purchase in the last 90 days. This points to the growing importance of building an omnichannel grocery strategy that effectively engages shoppers wherever they're shopping.

City Dwellers are More Likely to Shop Online for Groceries

As expected, consumers residing in larger cities are significantly more likely than their rural counterparts to purchase groceries online. This is due, in large part, to the availability of various online shopping options in densely populated areas.

Nearly a quarter (23%) of consumers living in a city with a population of 500,000 or more have made an online grocery purchase in the last 90 days, compared to 10% of consumers who reside in a town with a population of less than 50,000.

**In the last 90 days, 92%
of online grocery shoppers
have also purchased
groceries in-store.**

A close-up photograph of a woman's hands holding a white smartphone. She has red lipstick and red nail polish. The background is a blurred grocery store aisle. The text 'The Online Grocery Shopper' is overlaid in white, bold font.

The Online Grocery Shopper



A Growing Trend

Today, less than a quarter (17%) of consumers are purchasing groceries online. But that number will only continue to grow as online shopping options increase throughout the country —and more and more consumers crave the convenience they have come to expect from online shopping.

Why are these early adopters opting to shop online? And what information are they using to make purchase decisions?

Shoppers Use a Variety of Online Grocery Services

Depending on geographic area, there are a variety of online grocery shopping options available to consumers. Our research found that online-only services (such as Peapod, AmazonFresh or Jet.com) are the most popular option, with 39% of online grocery shoppers indicating they've used this type of service in the last 90 days. Following closely behind is ordering directly from a local grocery store for pickup or



delivery (commonly referred to as click and collect), with 38% of online grocery shoppers using this service.

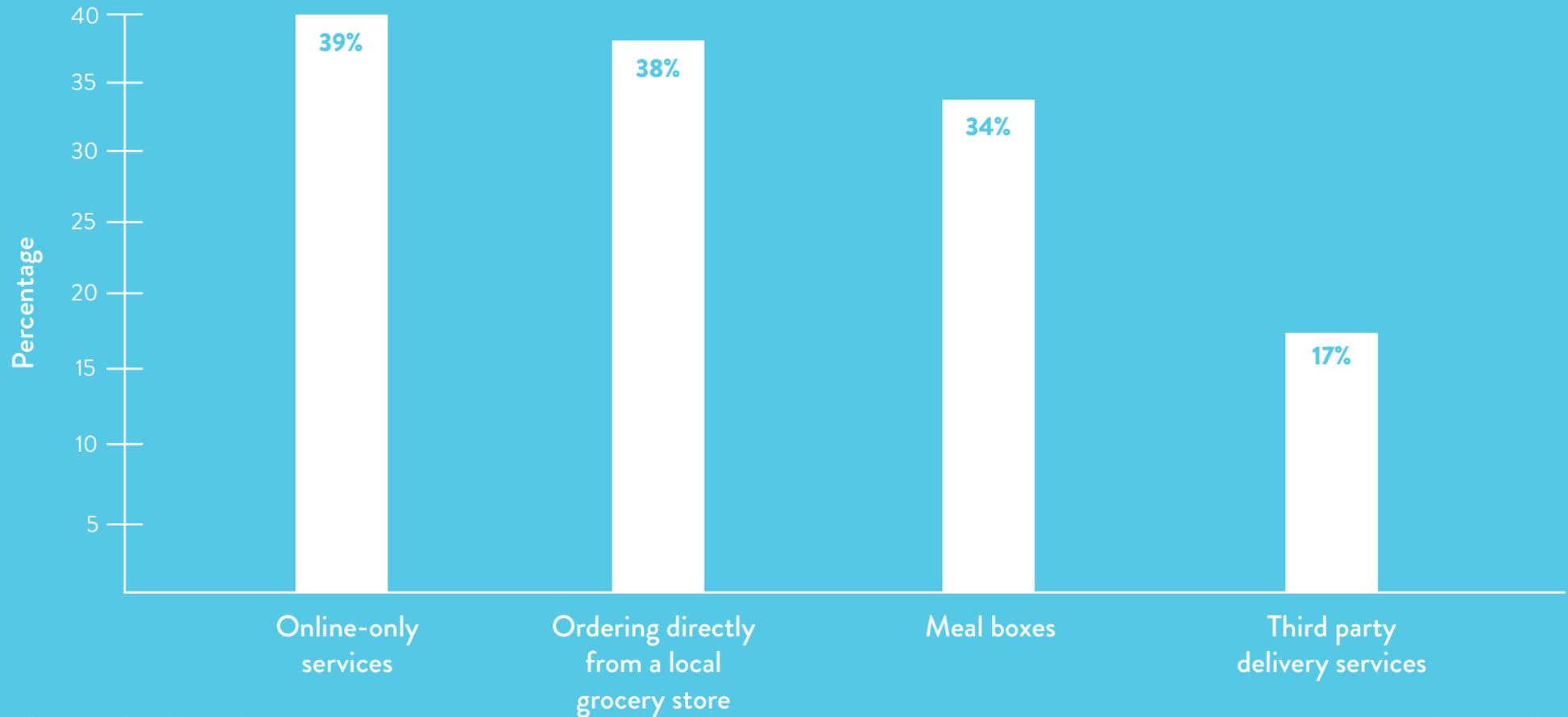
Meal boxes—such as HelloFresh and Blue Apron—are another popular option, with 34% of online grocery shoppers using these services in the past 90 days. Surprisingly, only 17% of online grocery shoppers have used a third party service —such as Instacart—that pairs consumers with a personal shopper

who purchases groceries from a local grocery store, then delivers them to the consumer’s home. This is likely because these services are often only available in densely populated metropolitan areas. It’s worth noting, however, that many online grocery services have started expanding into smaller markets.

Online Shopping MVPs

Online shoppers use a variety of services

**Respondents could select all that apply*





Consumers Shop Online to Save Time and Access Information

Consumers lead busy lives and are always on the lookout for ways to maximize their time. So, as anticipated, saving time is the most popular reason consumers purchase groceries online, with 72% indicating it's a key reason they choose to do so.

Shoppers also appreciate the access to information that online grocery shopping provides. 36% indicate that online shopping makes it easier to compare products and prices

online and 27% like that they can easily access information about products, including reviews.

Other top reasons for shopping for groceries online include avoiding impulse purchases that often happen in-store (30%) and avoiding the hassle of getting to a grocery store (23%).



Shoppers Purchase a Variety of Grocery Items Online

Grocery shopping is a sensory experience—much more so than other product categories. Consumers who shop in a store have the opportunity to touch, smell and even taste items to assess their quality and freshness. It's much more difficult to judge the quality of fresh food items—such as meat and produce—when shopping online.

So it comes as no surprise that shelf-stable goods are the most popular grocery items to purchase online. 58% of online grocery shoppers purchase non-perishable packaged foods (such as cereal, canned soups and snack foods), 49% purchase personal care items (such as soap, shampoo and

body wash) and 45% purchase home care items (such as detergent and cleaners).

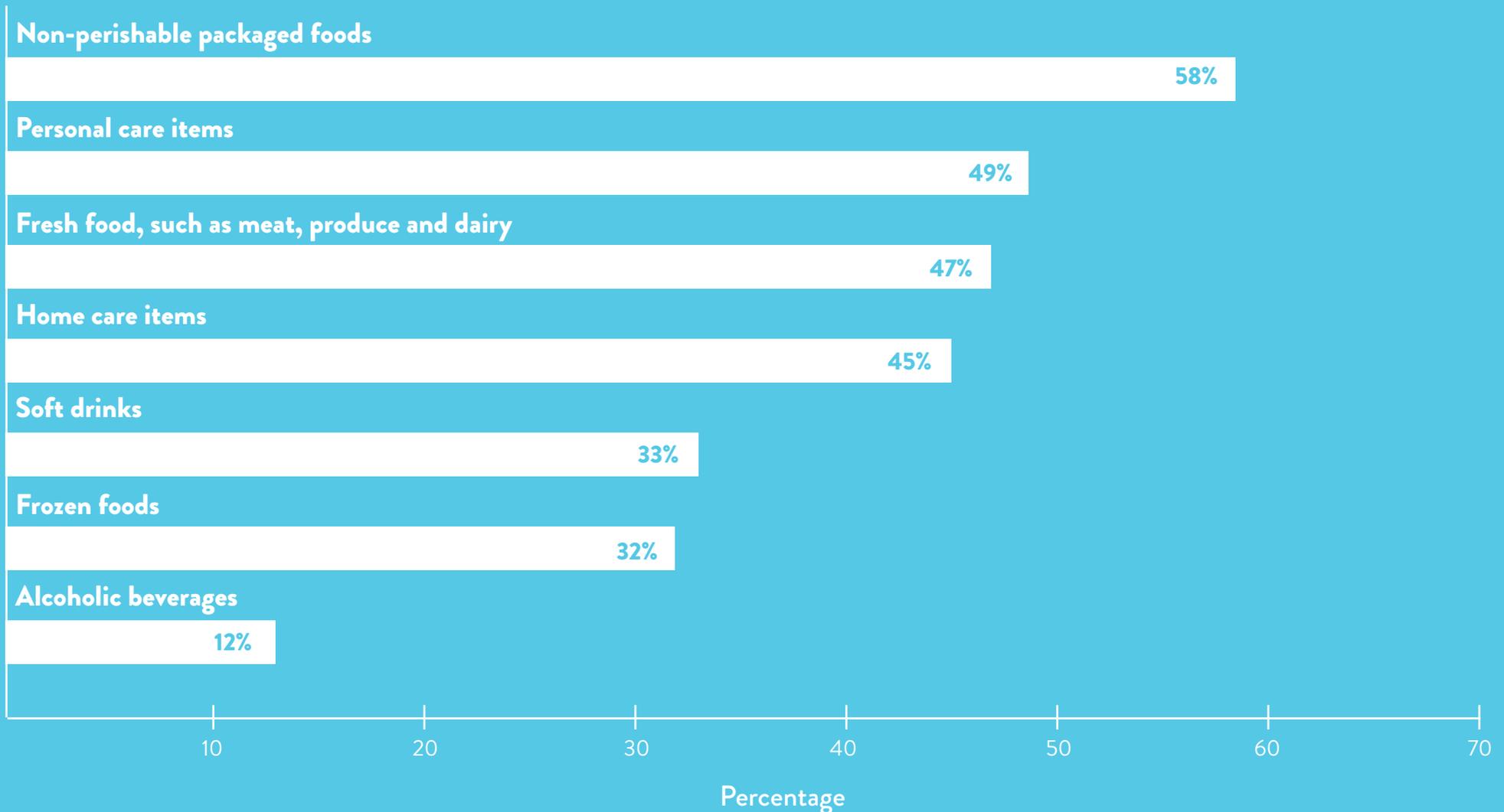
But, as the survey results reveal, online grocery shoppers aren't completely steering clear of fresh food purchases online. Nearly half (47%) of them shop online for fresh food, such as meat, produce and dairy.

Other popular grocery items shoppers are purchasing online include frozen foods (32%), soft drinks (33%) and alcoholic beverages (12%).

Fresh, Frozen and Everything In Between

Shoppers are purchasing various grocery items online

**Respondents could select all that apply*





Online Shoppers Read Reviews

Ratings and reviews have become a key part of the path to purchase, regardless of the product a consumer is shopping for. And, as our data indicates, online grocery is no exception.

If reviews are available on an online grocery service's website, 93% of shoppers will read them at least occasionally. And most online grocery shoppers are turning to reviews much more often. 19% of online grocery shoppers always read reviews for grocery items, and an additional 34% read them regularly.

Reviews Influence Online Grocery Shoppers

Previous research with Northwestern University found that reviews are especially impactful for new or unknown brands and products. It makes sense, then, that 72% of online grocery shoppers indicate that they are more likely to purchase a grocery item they've never purchased before if there are customer reviews for that product.

Online grocery shoppers are turning to reviews—and this content is influencing their purchase. This points to the importance of having plenty of reviews available for grocery products, especially those that are new to market.

72% of online grocery shoppers are more likely to purchase a grocery item they've never purchased before if there are reviews for that product.



Shoppers Want Reviews For Myriad Grocery Products

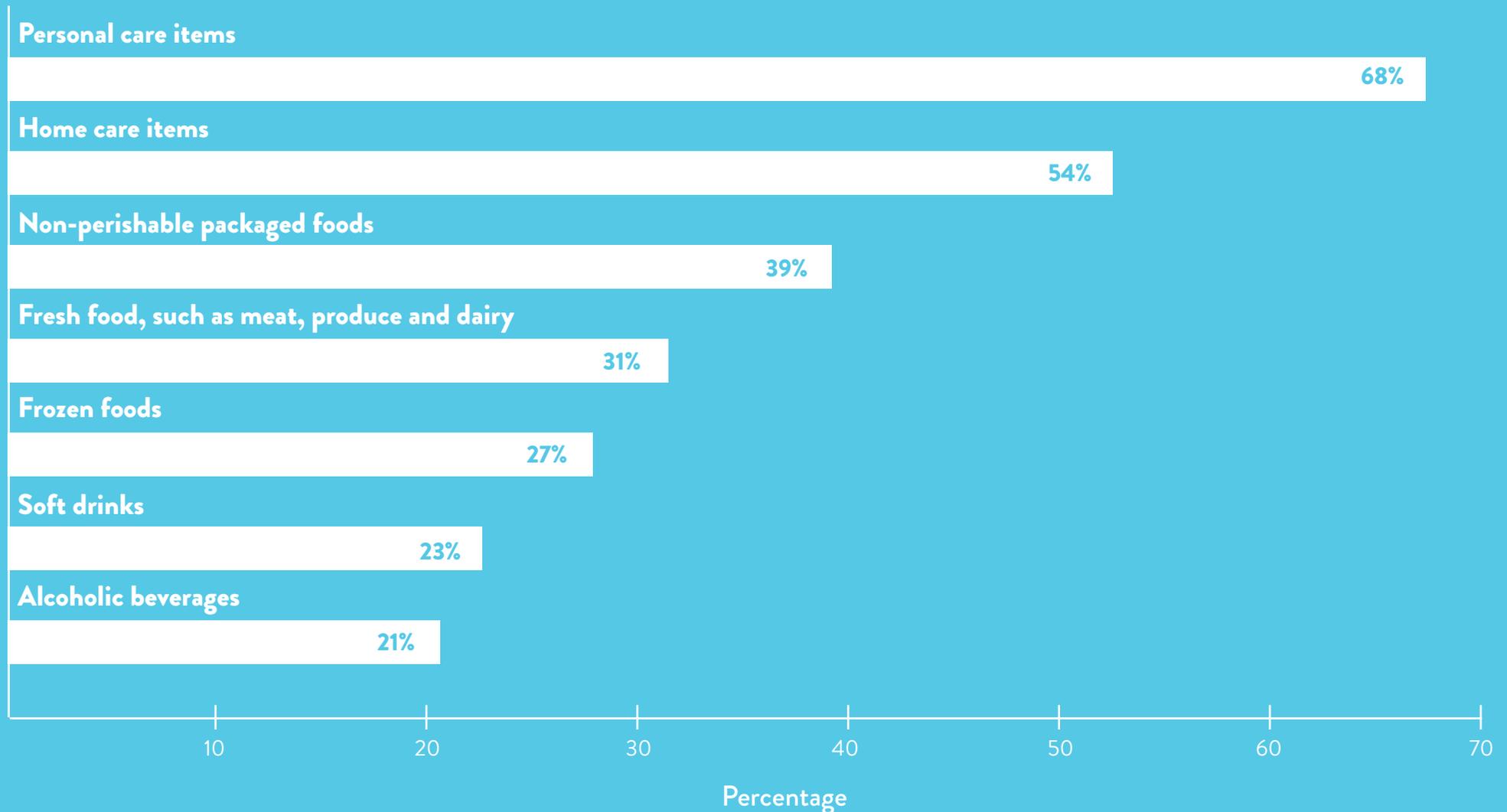
Clearly, consumers are turning to reviews when they're shopping online for groceries. But do they crave reviews for specific types of products more than others?

Our research indicates that the top categories online shoppers want to access product reviews for are personal care items (68%), home care items (54%), non-perishable packaged foods (39%) and fresh food, such as meat, produce and dairy (31%). Other top categories include frozen foods (27%), soft drinks (23%) and alcoholic beverages (21%).

An Appetite for Reviews

Online shoppers want reviews for various grocery products

**Respondents could select all that apply*





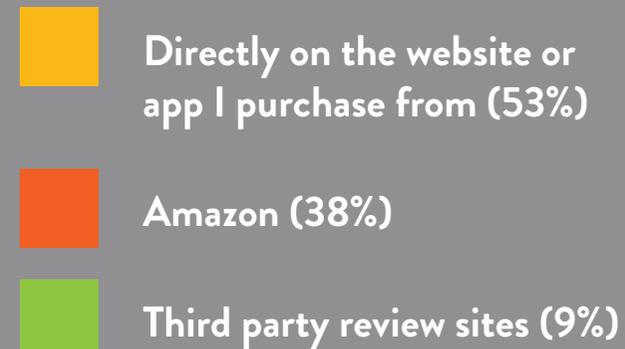
Online Shoppers Want Reviews Directly on the Ecommerce Website or App

Online grocery shoppers want to find reviews—and they don't want to look hard to find them. More than half (53%) of online shoppers prefer to find this content directly on the website or app they're using to purchase their groceries. An additional 38% want to find grocery product ratings and reviews on Amazon, and the remaining 9% prefer to find this content on a third party review site.

It's key for grocery retailers to provide all of the information shoppers are looking for in one place. Retailers that don't prominently feature product reviews directly on their website or mobile app risk losing shoppers to Amazon or another service that does.

Seeking out Reviews

Where online grocery shoppers want to find content





The In-Store Shopper



The Value of Brick and Mortar

Today, the majority of consumers are still visiting a brick and mortar store to purchase groceries—at least part of the time. Our survey found that 90% of consumers have made an in-store grocery purchase within the last three months.

Even shoppers who opt to purchase groceries online are also visiting physical store locations. 92% of online grocery shoppers have also made an in-store grocery purchase within the last three months. What types of information do in-store grocery shoppers use—and want to use—as they navigate the store aisles?

Phones Aid In-Store Shopping

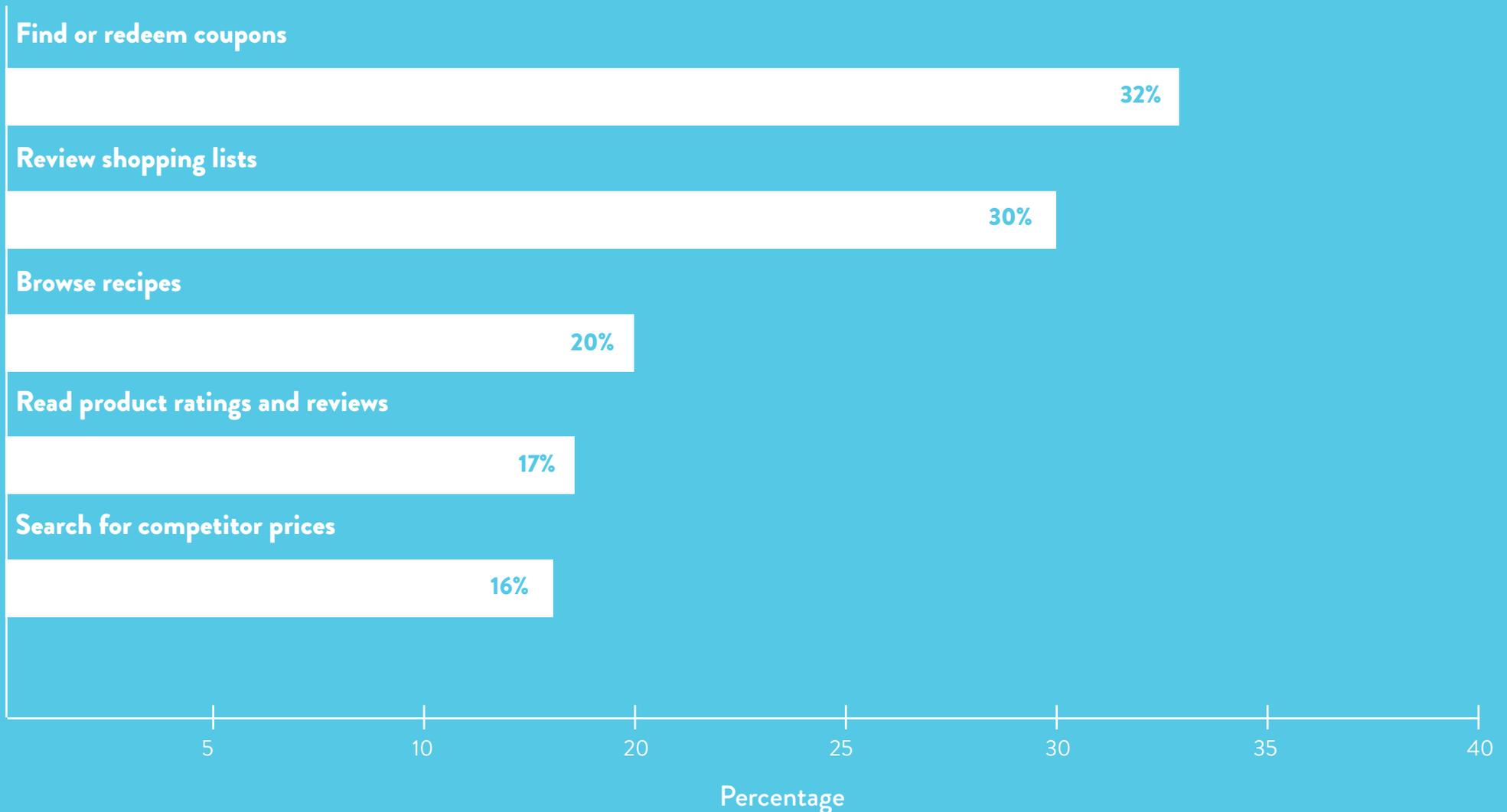
We know from previous research that 90% of shoppers are using their phones to help make purchases while in-store. And though this number likely fluctuates depending on the product category, our most recent research found that the majority of grocery shoppers (59%) are also turning to their phones while shopping in store, with the most popular activities being to find or redeem coupons (32%) and to review shopping lists (30%).

Grocery shoppers are also using their phones in-store to find product information prior to purchase, including recipes (20%), ratings and reviews (17%) and competitor prices (16%).

Mobile Phones as a Key Shopping Tool

How shoppers are using their phones in the grocery store

**Respondents could select all that apply*





In-Store Shoppers Want Reviews for New Products

A consumer may not ordinarily seek out reviews for a grocery item that she purchases each week—such as cereal. But if she’s considering a cereal she’s never purchased before, there’s a certain amount of risk involved. Reviews can help mitigate this risk.

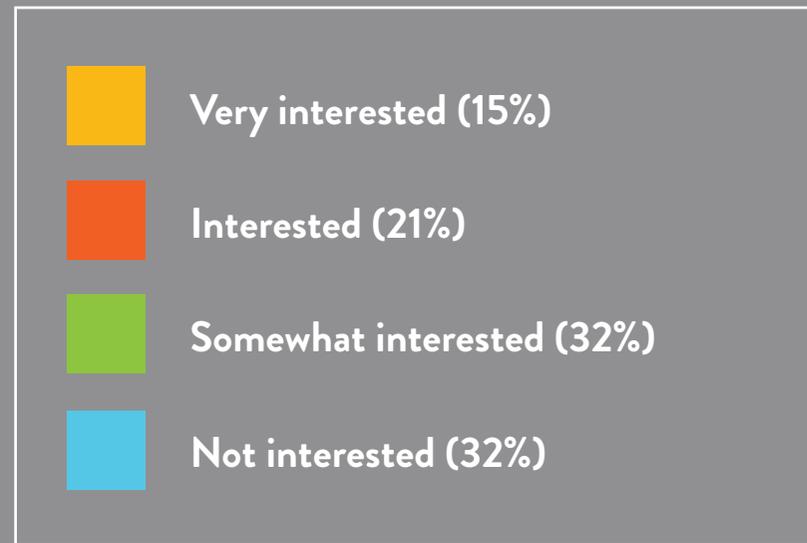
It makes sense, then, that the majority (68%) of in-store grocery shoppers are at least somewhat interested in accessing product ratings and reviews while shopping for new products in a grocery store.

In-Store Shoppers are Swayed By Reviews

We know that 72% of online grocery shoppers are more likely to purchase a grocery item they’ve never purchased before if there are customer reviews for that product. And our research found that reviews also have the power to sway in-store shoppers: more than half (52%) of in-store shoppers are more likely to purchase a grocery item they’ve never purchased before if there are reviews for that product.

Consumers Crave Reviews In-Store

Interest in reviews for new products



52% of in-store shoppers are more likely to purchase a grocery item they've never purchased before if there are reviews for that product.



Shoppers Seek Store Displays with Review Content

Our survey found that while in-store grocery shoppers are using their phones for various shopping related tasks, 41% admit they don't use their phone to help them shop. It makes sense, then, that more than half (56%) of in-store grocery shoppers prefer to find reviews on store signage.

Shopper marketing professionals, take note: now's the time to start providing your shoppers with review content in-store. Featuring this content in your stores can be as simple as displaying star ratings and customer reviews on cardboard signs alongside your products, similar to what Amazon does in their bookstore locations. Start displaying this content in your stores now, before your competition does.



In-Store Shoppers Also Seek Reviews Online

As mentioned previously, a majority of grocery shoppers are using their phones as a grocery shopping tool. So, understandably, in addition to the 56% of shoppers who want to find reviews on store signage, 25% prefer to find reviews on the store's mobile app, and the remaining 19% want to find reviews using the store's website via a mobile phone.

Be sure you're appealing to your mobile-savvy, in-store shoppers by ensuring you have plenty of reviews on your website and mobile app, too. As an added bonus, this content helps ensure your product pages are showing up in search engine results, too.

Finding Reviews In-Store

How grocery shoppers want to access reviews while in-store



-  In-store signage (56%)
-  Using the store's app via mobile phone (25%)
-  Using the store's website via mobile phone (19%)

Six Recommendations for Grocery Retailers

The way consumers shop for groceries is evolving—and will continue to do so as more online grocery shopping options emerge. Read on for six recommendations for grocery retailers to meet the needs of today's consumers in order to compete—and win—in an increasingly competitive space.

1

Feature Ratings and Reviews on In-Store Displays

Grocery shoppers want access to reviews in-store—and they don't want to look hard to find them. In fact, more than half of in-store grocery shoppers prefer to find ratings and reviews on store signage. And the good news is, featuring ratings and reviews in your stores doesn't have to be a big investment. Simply feature star ratings and customer reviews on signs alongside your products—similar to what Amazon does in their bookstores.

2

Include Ratings and Reviews on Your Website and Mobile Apps

In addition to craving ratings and reviews on store signage, both online and in-store grocery shoppers want to find this content on retail websites and mobile apps. So be sure you have plenty of reviews for plenty of your products—consumers are looking for this content for a wide range of grocery products.

3

Leverage Product Sampling to Generate Reviews

Product sampling is certainly not a new concept for grocery brands and retailers. But in addition to being a tactic to get shoppers to try—then buy—your products, sampling campaigns are also an effective way to generate ratings and reviews for your products. Work with your ratings and reviews provider to send samples of new products or products in need of additional review coverage, then request reviews from those who received a free sample. More than half (52%) of in-store shoppers and nearly a quarter (23%) of online shoppers are more likely to purchase a grocery item they've never purchased before if they can find review content for those products.

4

Create Memorable Experiences

If you have brick and mortar grocery stores, think of ways you can leverage this asset to create memorable experiences for your shoppers that go beyond a transaction. For example, offer cooking classes that'll entertain and inspire consumers. Offering rich experiences for your in-store shoppers will allow you to forge deep connections with them. And chances are, those who visit your store for these experiences will stay to pick up some groceries, too.

5

Leverage Brick and Mortar Stores to Drive Online Success

Look for opportunities to leverage your brick and mortar stores as a tool to help drive your online success. One way grocery retailers are doing this is by offering click and collect services, which allow consumers to place an order online and pick it up in a store. For example, 55% of all digital sales for Target are fulfilled in-store. Offering this service not only saves your customers time, it also has the potential to drive additional in-store sales.

6

Bolster Your Online Presence

A growing number of consumers are shopping for groceries online. And even those who are visiting brick-and-mortar grocery stores are using their phone as a shopping tool. That's why it's important to have a strong online presence so consumers can find your product pages—and easily convert on them. Make sure your website provides a great user experience for your shoppers and includes plenty of information about your products and stores. Go beyond your own product descriptions to prominently feature product ratings and reviews on your website and mobile apps. In addition to providing your shoppers with the information they're looking for, featuring user-generated content on your website can also ensure your product pages are showing up in search engine results.



About the Research

This report is based on a survey and subsequent analysis of 1,046 American consumers from July 2017, developed with the goal of better understanding how consumers are navigating the grocery shopping experience both online and in-store.

About PowerReviews

PowerReviews works with more than 1,000 global brands and retailers to deliver cloud-based software that collects and displays ratings and reviews and questions and answers on websites. Ratings and reviews solutions from PowerReviews are essential for consumers as they search and shop online and in-store, and they are proven to increase online site-wide sales.

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