84.51°

Consumer Digest

2024 YEAR IN REVIEW

Balancing Act: Wallet & Wellness

Consumer Digest

Welcome to the second annual 84.51° Consumer Digest 2024 Year in Review, where we provide insights into shopper trends and attitudes that defined the year. In 2024, the economy and personal finances were a chief concern for shoppers as they continued to seek sales, deals and other ways to stretch their budgets, exhibiting a "value mindset." They also prioritized health and were seeking new and innovative products with nutritional benefits.

External factors such as the economy and demographic shifts coupled with expectations for innovative and value-driven products will persist in driving shopping behaviors. Additionally, shoppers are predicting an evolution in grocery shopping that will be driven by technological advancements.

TABLE OF CONTENTS

SECTION 1

TRENDING. . . Inflation & the consumer response, financial comfort, health concerns

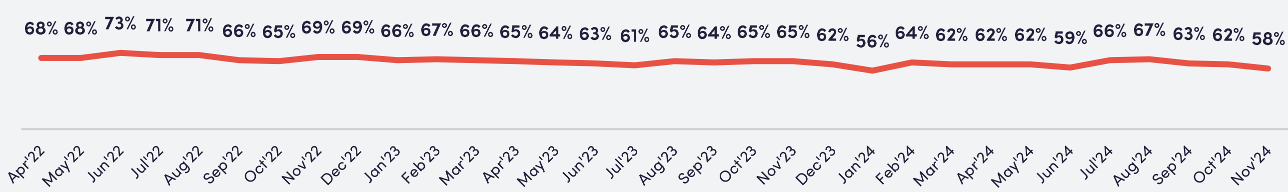
Over the past three years, we've kept a pulse of shopper attitudes and spending to understand how those behaviors trend over time in response to ongoing economic uncertainty. While concern over inflation has leveled out over the past two years from a peak in mid-2022, shoppers are still feeling the pinch and are adjusting their buying behaviors as they keep a watchful eye on prices while balancing health and other priorities.

Concern over inflation: April '22 – Nov'24

Looking back at the past two years of tracking consumers' concern over inflation, January of this year saw the lowest concern at 56% while June '22 saw its highest concern at 73%.

Shopper concern over inflation - % of Households Extremely Concerned

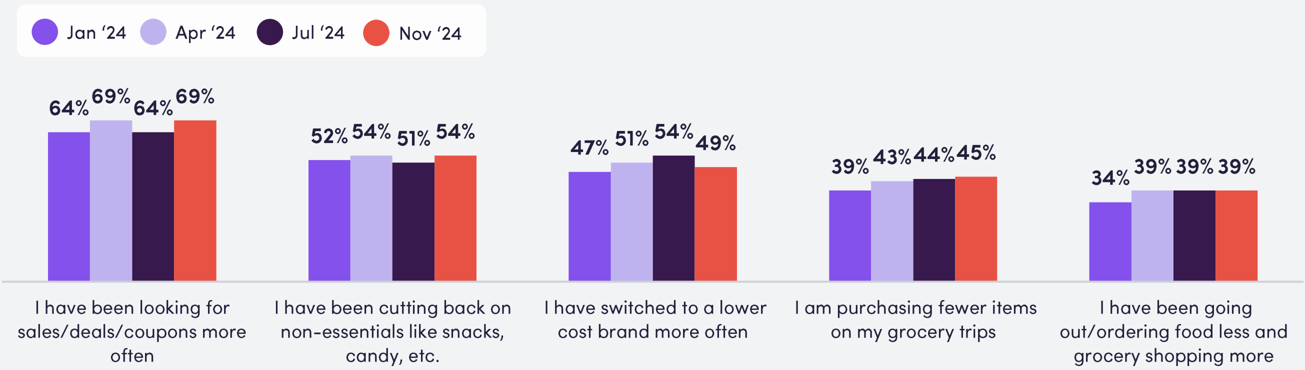
(T2B on 7-point scale April '22 – Nov '24)



Q: How concerned are you with inflation/consumer prices right now?

Shoppers' response to inflation

Shoppers responded to inflation over the past year by looking for sales/deals/coupons more often (year average of 67%), cutting back on non-essentials like snacks, candy, etc. (year average of 53%), as well as switching to lower cost brands more often (year average of 50%).



Q: As grocery store prices increase, have you made any of the following changes?

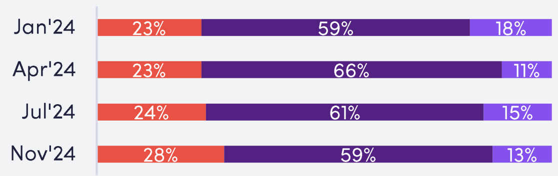
Source: 84.51° Real Time Insights Surveys Jan'24 – Nov'24.
Sample sourced from consumers who shopped at Kroger in latest 3 months. n=400

Financial comfort & financial comfort level drivers: Jan'24 – Nov'24

Most shoppers felt moderately comfortable with their finances this past year

Shopper comfort over finances –
% of Household Comfort (B2B, M3B, T2B on 7-point scale)

B2B – Not Comfortable at all
M3B – Comfortable
T2B – Very Comfortable



Q: Overall, how would you describe your current feelings about your finances?

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Financial comfort level drivers –
(Quarterly Average Jan'24, Apr'24, Jul'24, Nov'24)

Top 5 reasons that impacted shoppers feeling not comfortable at all about their finances...

- Inflation
- Grocery prices
- Monthly bills
- Credit card debt
- Current budget

Top 5 reasons that impacted shoppers feeling very comfortable about their finances...

- Savings, retirement fund or security net
- Current budget
- Current job
- Monthly bills
- Grocery prices

Q: What is driving your current level of comfort with your finances?

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Categories where shoppers have most noticed price increases

Quarterly average for Feb'24, May'24, Aug'24 and Nov'24

80% **Dairy** (milk, cheese, etc.)

77% **Deli, meat or fish counter**

73% **Produce**

70% **Drinks** (soft drinks, juices, etc.)

64% **Paper products** (toilet paper, tissues, paper towels, etc.)

63% **Frozen food**

61% **Cereal**

Q: In what categories are you noticing an increase in price at the grocery store?

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Category Switching

Categories shoppers are willing to switch to a lower cost brand
(Quarterly average Feb'24, May'24, Aug'24 and Nov'24)

60% **Paper products** (toilet paper, tissues, paper towels, etc.)

57% **Shelf stable** (canned goods, pasta, etc.)

54% **Household cleaning** (dish soaps, surface cleaners, laundry detergents, air fresheners, etc.)

46% **Frozen food**

44% **Drinks** (soft drinks, juices, etc.)

44% **Cereal**

46% **Dairy** (milk, cheese, etc.)

Q: In what categories are you willing to switch to a lower cost brand?

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What drives the shopping modalities?

Share of grocery modalities/why shop certain modality – (Quarterly average Feb'24, May'24, Aug'24 and Nov'24)

76% **In store**

Why shop in-store?
- Don't trust someone picking out my products
- Sales/promotions

11% **Online for delivery**

Why shop online for delivery?
- Convenience
- Easy to use website or app for shopping

11% **Online for pickup**

Why shop online for pickup?
- Convenience
- Reduce impulse purchases

Q: Thinking of the upcoming month, what percentage of your grocery and household item shopping will be done the following way/s...?
Q: Why do you shop this modality for your groceries and household items?

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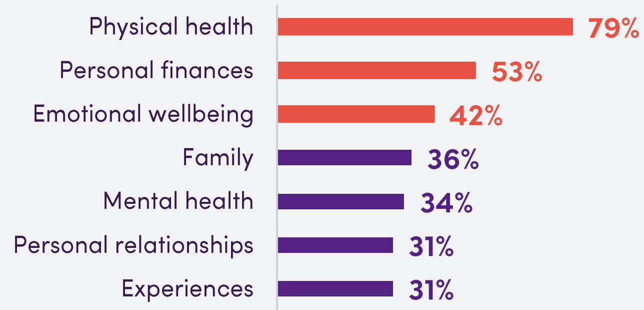
SECTION 2

Front and center for consumers: Mind, body, wallet!

Consumer Digest: January, March, May, April, June

- Shoppers prioritized physical health, finances and emotional wellbeing for their New Year's resolutions.
- Managing heart health, weight and cholesterol were universal concerns for all age segments.
- Overall, consumers had a thrifty outlook; they planned to cut back on discretionary items and increase savings while maintaining the essentials.

Shoppers setting New Year's resolutions are focused on mind, body and wallet.



Q: What area(s) of life your new year's resolutions goals apply to?

In January, shoppers had a frugal outlook on the year ahead – claiming they'll spend **less on discretionary costs** like dining out, **the same on necessary costs** like prescriptions and **more on** savings/investments.

I plan to spend less:		No change in spending:		I plan to spend more:	
57%	Dining out/Carry out/food delivery services	69%	Prescription medicine	53%	Savings/Investments
48%	Outside of home entertainment	66%	Medical providers and services	27%	Travel
47%	Clothing	65%	Transportation	23%	Supplements
43%	Beauty Services	61%	Household essentials	19%	Groceries

Q: Do you plan to change your spending on the categories below due to new year's resolution goals?

Food as Medicine – managing **heart health, weight** and **cholesterol** are the most universal concerns by all age segments

How important do you believe the food you eat is, if at all, when it comes to the following?

% Importance Top Two Box

AGE	Energy	Heart Health	Gut Health	Sleep	Brain Health	Weight	Blood Sugar	Stress	Bone Health	Dental Health	Met abol ism	Manage cholesterol	Manage blood pressure	Protect Against Disease	Skin Health	Muscle Repair
18-24	76%	61%	46%	46%	77%	61%	61%	46%	23%	54%	61%	62%	61%	54%	61%	46%
25-34	70%	68%	66%	56%	64%	62%	60%	58%	62%	56%	42%	60%	54%	54%	50%	48%
35-44	68%	73%	66%	49%	60%	72%	59%	47%	50%	60%	51%	66%	63%	50%	54%	48%
45-54	61%	80%	56%	40%	59%	72%	58%	41%	49%	55%	48%	66%	65%	48%	49%	43%
55-64	41%	75%	66%	38%	55%	69%	58%	35%	62%	49%	38%	66%	68%	48%	48%	45%
65-74	61%	85%	44%	32%	53%	69%	64%	32%	53%	47%	40%	71%	75%	56%	37%	43%

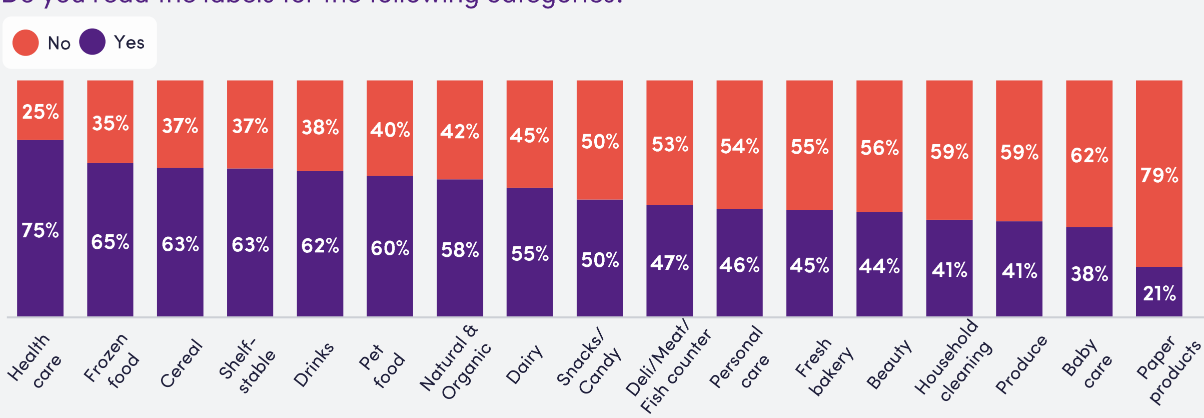
Source: 84.51° Real Time Insights Survey, January 2024. Sample sourced from consumers who shopped at Kroger in latest 3 months. n=400

Reading Labels...
It's what's on the inside that counts

Shoppers read labels in categories that include ingestible products like medicines and vitamins in Health Care, along with Frozen Foods and Shelf stable products.

Fresh food categories Deli, Bakery, and Produce are the exception and more in line with Personal care, Beauty and Household Cleaning

Do you read the labels for the following categories?



Source: 84.51° Real Time Insights Survey, January 2024. Sample sourced from consumers who shopped at Kroger in latest 3 months. N=400 total. Bases for each category include only those who purchased that category and range from n=176-393

How important are the following when it comes to food product labels?

LABELING
Nutrition Facts

Serving	1 Healthy Body
Sample (per serving)	
Kroger Shoppers	n=400
	(Top 2 Box %)
Guaranteed fresh	43%
Good for your health	43%
Nutritional value	42%
Gives you energy	39%
Strengthens immunity	37%
Free from an ingredient	33%
100% Natural	32%
Non-GMO	30%
Premium	28%
Grade: Choice	26%
Natural	26%
Where the product was sourced from	25%
Sustainable sourced	25%
Wild caught	23%
Cage free	22%
Certified organic	21%
Grass Fed	21%

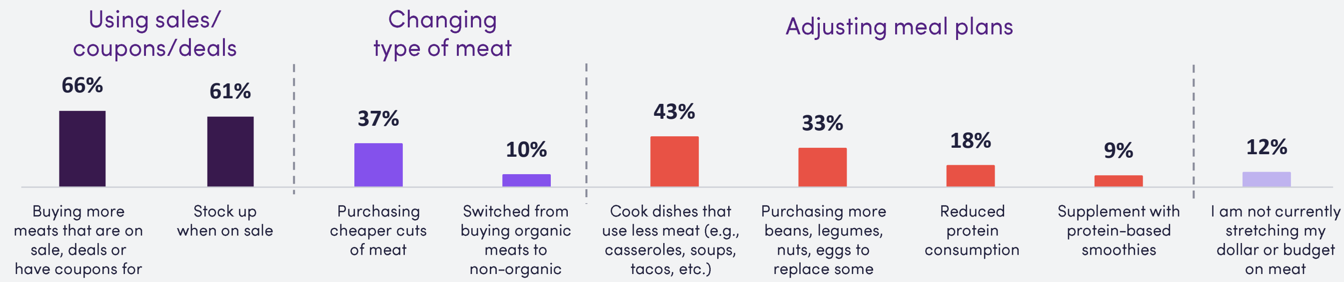
Consumers are looking for label claims that boost improvements in overall health and wellbeing.

Label claims centered around how the food was raised are ranked lower in importance.

Source: 84.51° Real Time Insights Survey, January 2024. Sample sourced from consumers who shopped at Kroger in latest 3 months. n=400

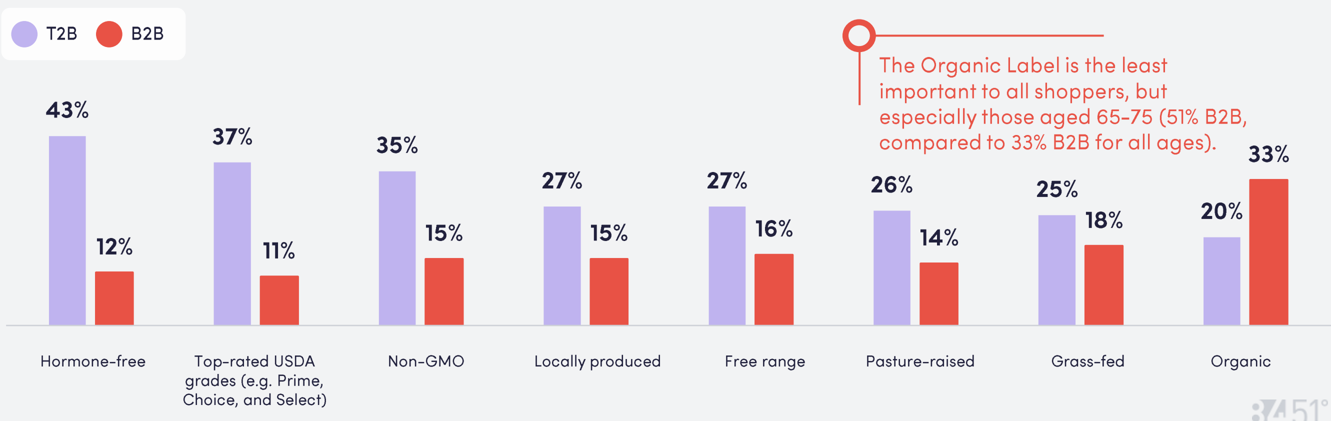
Stretching the meat dollar

When asked about how they are stretching their dollar to fulfill their meat needs, shoppers are relying on discounts, changing the type of meat they purchase and adjusting their meal plans.



Q: How have you stretched your dollar and budget to fulfill your meat needs?

How important are the following when it comes to buying meat or poultry?



Proteins: The building blocks of life

Shoppers include protein in their diets for a variety of reasons and leverage multiple food sources to achieve their protein consumption goals.

Protein consumption has remained flat vs. last year with 66% of households reporting they are consuming about the same amount of protein, and 17% of households state that they are consuming less/more protein.

For households who reported declining consumption, they claim that the cost of groceries is making it difficult to afford protein.

When it comes to including protein in their diets, shoppers are…

Most concerned with (T2B):

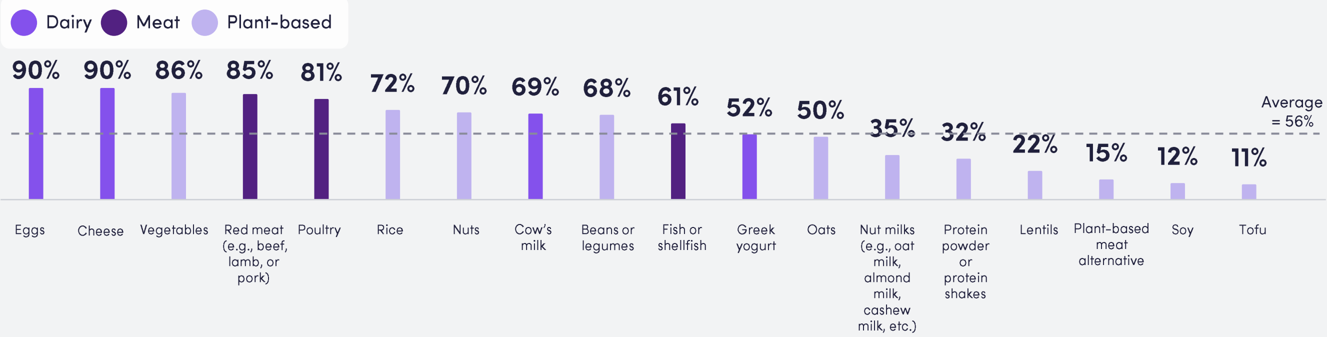
- Good taste **60%**
- Good value for the price paid **55%**
- Keep me feeling full **50%**

Least concerned with (B2B):

- Permitted by my religion **61%**
- Plant-based protein **45%**
- Accommodating multiple family members **39%**

Q: How important are the following when it comes to your diet?

Animal-based protein sources (dairy & meat) rank in the top 4 of 5 protein sources



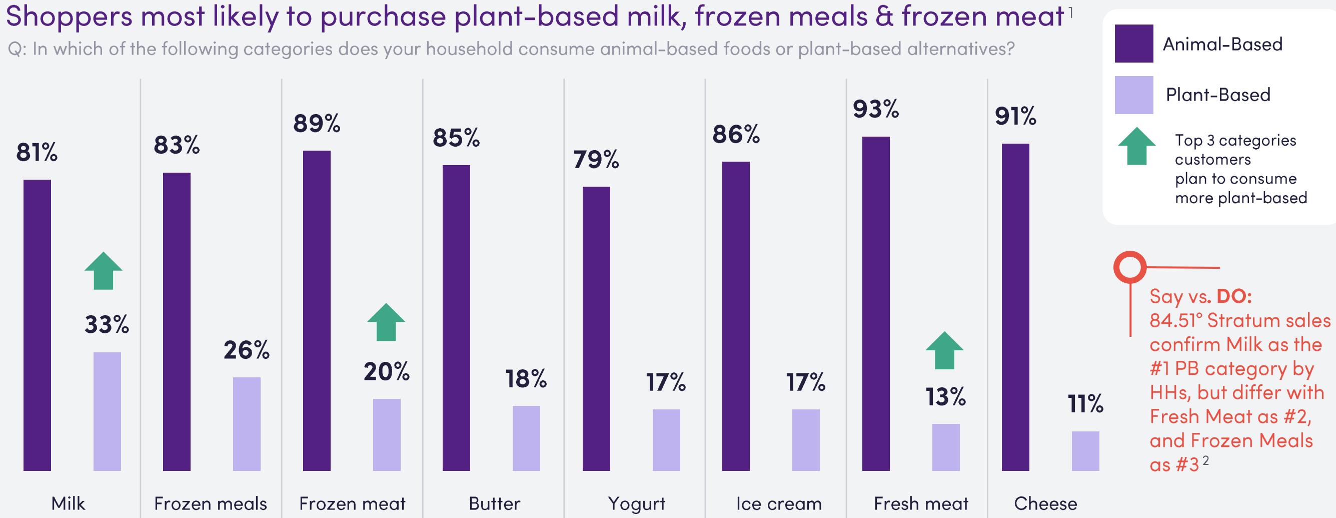
Q: Which of the following sources of protein do you or members of your household consume?

Plant-Based Consumption

As shoppers seek better health and environmental stewardship, many turn towards plant-based alternatives to traditional meat and/or dairy foods. Often, shoppers "enter" plant-based with milk, then expand consumption to additional categories.

Shoppers most likely to purchase plant-based milk, frozen meals & frozen meat[1]

Q: In which of the following categories does your household consume animal-based foods or plant-based alternatives?



Say vs. **DO:** 84.51° Stratum sales confirm Milk as the #1 PB category by HHs, but differ with Fresh Meat as #2, and Frozen Meals as #3[2]

Sources (1): 84.51° Real Time Insights Survey, March 2024. Sample sourced from consumers who shopped at Kroger in latest 3 months. n=400 (2) 84.51° Stratum Latest 52 Weeks ending 03-16-2024

Drivers of plant-based consumption

What drives you to consume more plant-based?

- 59% Overall health
- 42% Sustainability/Environment
- 38% Taste/Flavor
- 36% Animal cruelty

What drives you to consume less plant-based?

- 53% Cost
- 41% Less sales/Promos
- 24% Texture
- 22% Taste/Flavor

Where do you find plant-based recipe inspiration?

- 50% Online recipe sites
- 35% Friends & Family
- 32% Cooking shows/YouTube
- 27% Pinterest

Source: 84.51° Real Time Insights Survey, March 2024. Sample sourced from consumers who shopped at Kroger in latest 3 months. n=400

Consumers shopping sustainably for an eco-friendly lifestyle

What do shoppers believe to be true when it comes to shopping sustainably?

T2B – Top 2 boxes on 7-point agreement scale

Q: How much do you agree with the following statements when it comes to shopping for groceries?

Does sustainability drive shopping behavior?

19% of shoppers say they often/always seek out sustainable products.
22% of shoppers find sustainability extremely important when it comes to choosing which products to purchase.

Q: When shopping for groceries, which actions do you take?

49%
Buy **LOCAL** and **SEASONAL** produce

45%
Bring **REUSABLE PACKAGING** to use while shopping

37%
Avoid **SINGLE-USE PLASTIC**

22%
Buy **SUSTAINABLY FARMED PRODUCTS** (organic, fair trade, etc.)

Q: When shopping for groceries, what is most helpful to shopping sustainably?

45%
DISCOUNTS for bringing **REUSABLE BAGS**

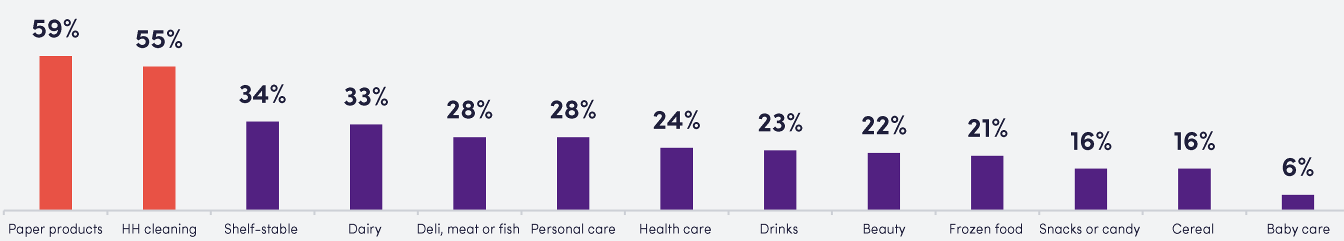
34%
Offering **DISCOUNTED SOON-TO-EXPIRE FOOD** (online/in-store)

27%
RECYCLING or **COMPOSTING** facilities (in the store)

27%
More **PROMOTIONS** or **COUPONS** for sustainable products

T2B – Top 2 boxes on 7-point scale.

Categories where customers seek sustainable products when shopping for groceries:

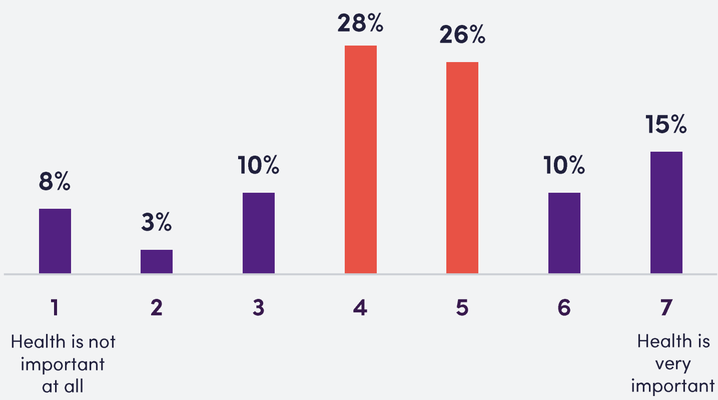


Q: In what categories do you actively seek out sustainable products when shopping for groceries?

A rise in budget-friendly, conscious snacking options

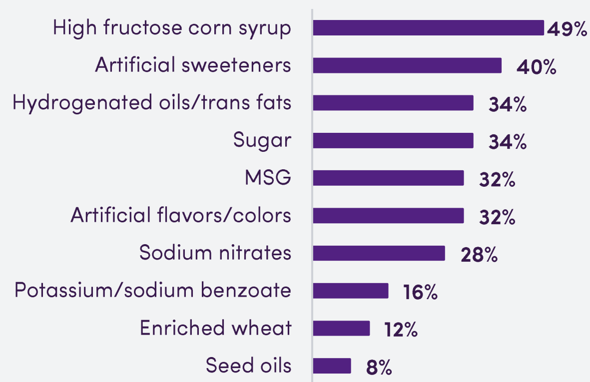
More shoppers (27%) reported snacking multiple times a day, up from 15% in 2023. When selecting snacks, price, quality and flavor were the most important attributes for shoppers, with sales and coupons being major drivers. Health was a consideration for many, but not the primary factor. Snacks, traditionally an impulse item, were more likely to be purchased in-store rather than online.

Most shoppers care about health to some extent – but it's not the only factor when it comes to snacking



Q: When choosing a snack, how important are 'healthy snacks' (e.g., natural & organic, simple ingredients, low sugar, etc.)?

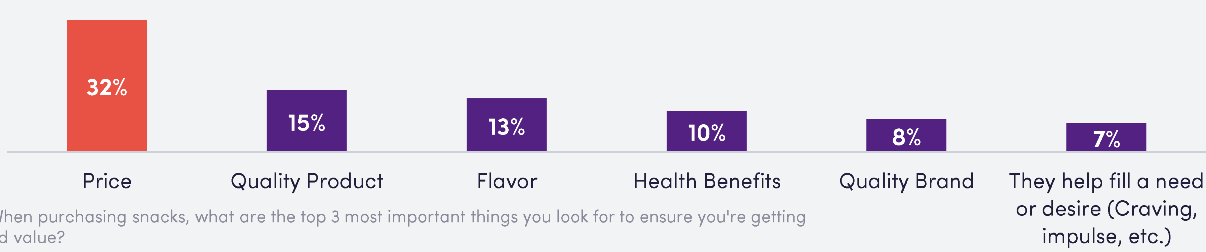
What ingredients do you try to avoid or minimize **when purchasing snacks?**



28% of shoppers **don't look at ingredients** when considering snacks.

Price Matters: Sales and coupons are primary drivers for snacks

Price, Quality Product and **Flavor** are the three most important attributes shoppers look for in their snacks to ensure they're getting a ***good value.***



Q: When purchasing snacks, what are the top 3 most important things you look for to ensure you're getting good value?

Compared to a year ago, I'm doing this behavior....

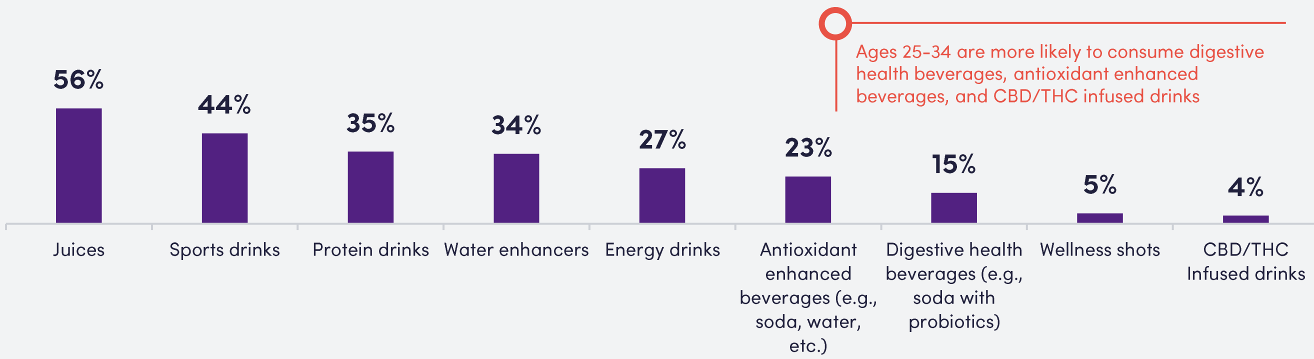
Top behaviors reported compared to last year **revolve around cost savings.** Shoppers also report being **more likely to purchase snacks in-store than online.**

	Using coupons for snacks	Buying store brand/ private label	Buying healthy/ 'better for you' snacks	Checking ingredients	Buying snacks in bulk	Purchasing snacks at multiple retailers	Packing 'to-go' snacks	Making my own snacks	Buying snacks in-store	Buying snacks online	Buying organic/ natural snacks	Buying national/ name brand snacks
MORE	44%	38%	31%	27%	26%	25%	24%	21%	21%	13%	12%	7%
SAME	42%	44%	47%	46%	42%	48%	47%	37%	64%	32%	39%	55%
LESS	6%	11%	11%	8%	15%	14%	13%	11%	13%	16%	19%	33%
I DON'T DO THIS	8%	8%	12%	19%	17%	13%	17%	32%	2%	39%	31%	5%

Functional Beverages

A functional beverage is a drink that provides additional health benefits. These benefits can include added vitamins, minerals, antioxidants, probiotics or other nutritional supplements. Some functional beverages may also contain ingredients that boost energy, enhance focus, or aid in weight loss. **Examples include fortified water, energy drinks, protein shakes, etc.**

87% of shoppers surveyed claim to consume Functional Beverages



Q: Which of the following functional beverages, if any, do you consume?

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What product attributes are most important when purchasing a functional beverage product? (T2B)

83%

TASTES GREAT

Consumers' wish list:

- Focus on **natural, appealing flavors**
- Flavors that are **recognizable and enjoyable** all year long
- **Minimize artificial flavors & sweeteners** that lead to undesirable aftertastes

72%

Offered at a **FAIR PRICE**

Consumers' wish list:

- **Competitively priced** product
- Consider larger sizes to provide **better value**
- **Promotional pricing strategies** to attract budget-conscious customers

60%

Made with **HIGH QUALITY INGREDIENTS**

Consumers' wish list:

- Focus on **natural ingredients and sourcing,** organically certified
- Consumers want **high protein, vitamins, & minerals** but with **less sodium, sugar, & artificial ingredients.**

58%

Has **CLEAR INFORMATION** on the package

Consumers' wish list:

- **Highlight clear health benefits,** ensuring claims are **substantiated and easily understandable**
- Consider **ecofriendly /sustainable packaging**

Q: How important, if at all, are the following product attributes when it comes to purchasing a specific functional beverage product? (n=347) *Consumers' wish list are summarized from open-ended responses to Unmet Needs

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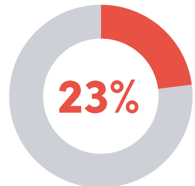
Top benefits motivating shoppers to consume functional beverages:

1. **74%** Hydration
2. **44%** Source of vitamins
3. **37%** Energy boost
4. **34%** Source of protein
5. **30%** Convenience

Source: 84.51° Real Time Insights Survey, June 2024. Sample sourced from consumers who shopped at Kroger in latest 3 months. n=400.

Non-Alcoholic Beverages

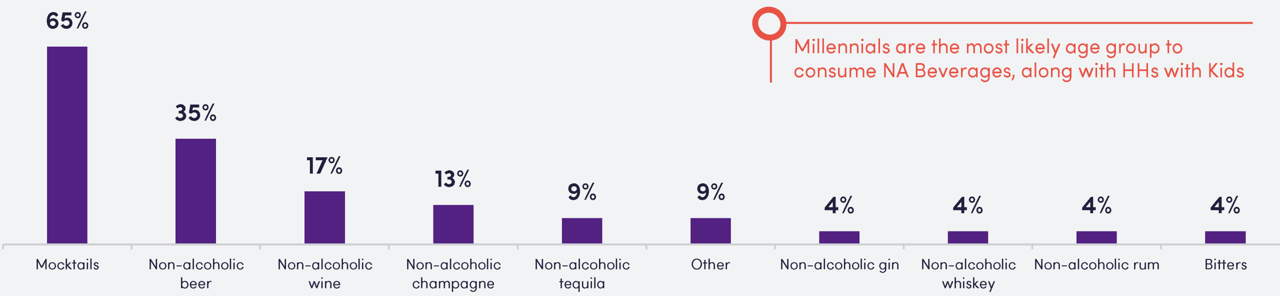
A non-alcoholic beverage is a drink that mimics the flavor and experience of traditional alcoholic beverages such as beer, wine, tequila, etc., but contain no or very minimal alcohol content.



of shoppers surveyed claim to consume Non-alcoholic beverages

(n=398)

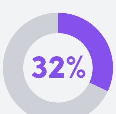
Of those 23% consuming NA Beverages, NA Spirits and Bitters are least consumed



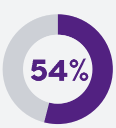
Millennials are the most likely age group to consume NA Beverages, along with HHs with Kids

Q: What types of non-alcoholic beverages do you consume? (n=92)

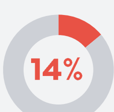
"Say" vs. "Do"



of NA Beverage consumers say they are **consuming MORE**



of NA Beverage consumers say they are **consuming the same amount**

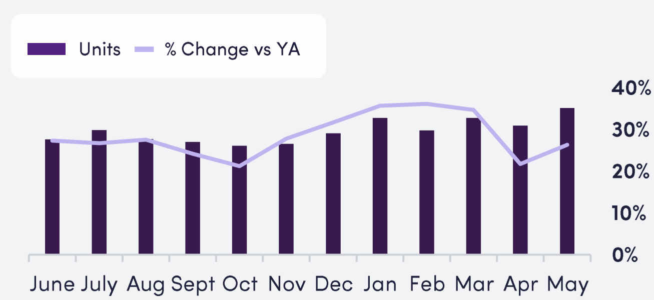


of NA Beverage consumers say they are **consuming less**

…. NA Beverages in 2024 compared to previous years

Q: Which of the following best describes your consumption of non-alcoholic beverages in 2024 compared to previous years? (n=92)

In the L52 weeks, NA Beer, Wine & Spirits Units are +28%



Source: 84.51° Stratum, KPI: Product by Time, Standard Months (June 2023 – May 2024), All Households. Excludes mocktails

Reasons for consuming Non-Alcoholic Beverages

55%	55%	55%	43%	41%
NA beverages help me to reduce alcohol intake	NA beverages are a healthy alternative to alcohol	I consume NA beverages when I am a designated driver	Drinking NA beverages has become more socially acceptable	I consume NA beverages to avoid a hangover

Only **29%** of respondents agreed that NA beverages taste better

Q: Thinking about your consumption of non-alcoholic beverages, how much do you agree with the following statements? (n=92)

"I have been thinking that non-alcoholic beverages would be a healthier and better option"

"More options and trying to cut back on the alcohol and the effects it has"

"Non-alcoholic drinks are cheaper"

Q: What are the reasons for increasing non-alcoholic beverages consumption in 2024?

Source: 84.51° Real Time Insights Survey, June 2024. Sample sourced from consumers who shopped at Kroger in latest 3 months and 21+. n=398.

SECTION 3

Brand & Retailer Loyalty

Consumer Digest – August

Shoppers exhibited varying degrees of brand loyalty across different product categories. They were most loyal when it came to pet food and baby care. Conversely, they were more willing to try other brands for paper products, shelf-stable and cleaning products.

How do consumers define brand loyalty?

Shoppers tend to think of purchase consistency when they think of brand loyalty

60% The brand I buy most often

16% The brand I buy exclusively

12% The brand I want to buy the most

12% My preferred brand, but I am willing to try others

Shoppers with household incomes **less than $50K** are more likely to be **open to other brands** (20%).

Q: Which of the following best describes what it means to be loyal to a particular grocery and household use item brand?

How do consumers define retailer loyalty?

Shoppers tend to think of consistency when they think of retailer loyalty

63% Retailer I shop most often

16% Preferred Retailer, but open to shop others

15% Only Retailer I shop for all my needs

8% Retailer I want to shop the most

Q: Which of the following best describes what it means to be loyal to a particular grocery and household use item retailer?

VALUE **TRUST**

Value and Trust are the top drivers of brand loyalty, followed by having sufficient varieties and sizes

Q: Which of the following are important to you when deciding which specific brand of grocery or household items you choose to buy?

Shoppers value tangible dollars off their groceries more than they value delayed discounts and donations

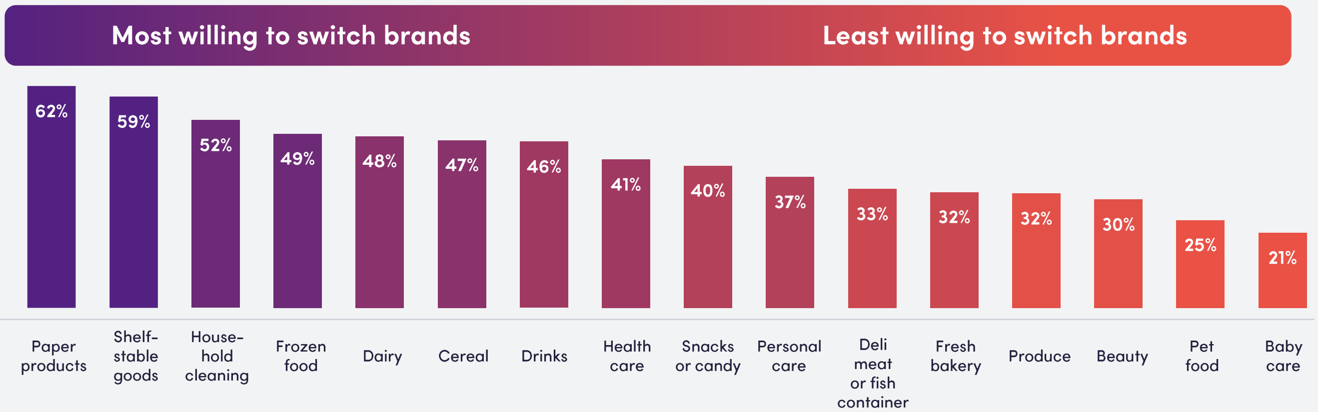
Most Valuable Rewards → **Least Valuable Rewards**

Digital coupons | % or $ off total purchase | % or $ off my favorite brands | % or $ off product categories purchased frequently | Digital rebates | Fuel-point related discounts | Donation to charity

Q: How valuable are each of the following grocery retailer rewards or discounts to you?

Shoppers are least willing to compromise when it comes to shopping for children and pets

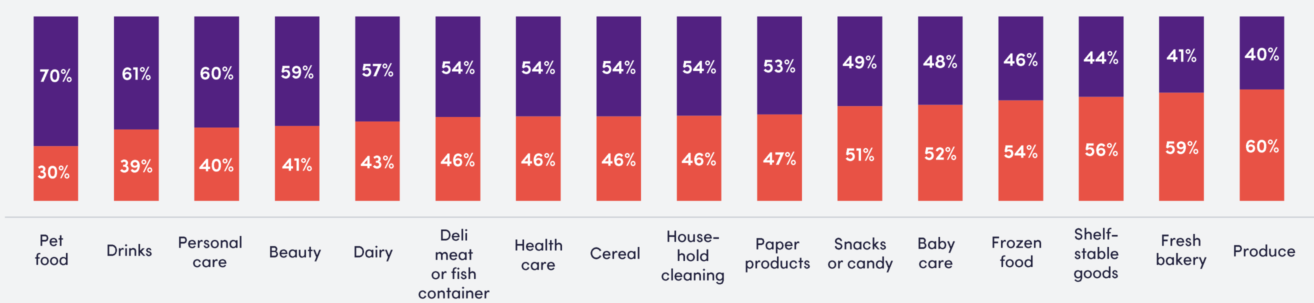
% indicate willingness to switch to a lower cost brand



Base: Kroger Shoppers who purchase each category (n=167-398)
Q: In what categories are you willing to switch to a lower cost brand?

Brand loyalty looks different in each aisle

When asked about brand preferences, Pet Food shoppers claim to stick with a specific brand, whereas Fresh Bakery and Produce shoppers are more open to trying other brands



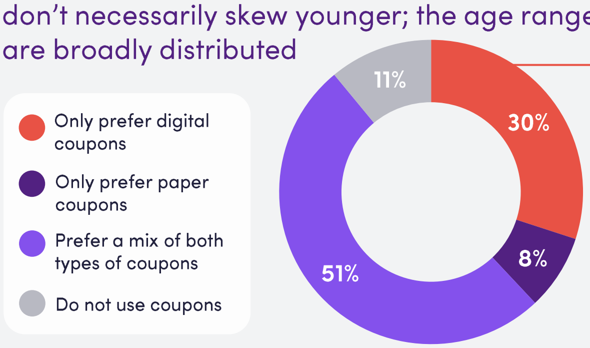
Brand Loyal *("I only buy a specific brand" or "I have a strong brand preference")*

Not Brand Loyal *("No preference & like to try different brands" or "I do not give it much thought")*

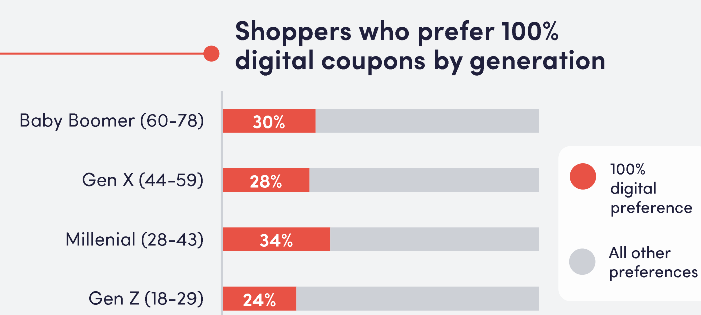
Base: Kroger Shoppers who purchase each category (n=144-397) Q: What best describes your behavior when shopping for the following categories?

How are shoppers engaging with coupons and discounts?

Those preferring digital coupons exclusively don't necessarily skew younger; the age ranges are broadly distributed



Shoppers who prefer 100% digital coupons by generation



Q: Thinking about grocery store coupons, what percentage would you prefer to engage with when it comes to coupon offerings?

Base: Gen Z (n=17)*, Millennial (n=146), Gen X (n=166), Baby Boomers (n=71)
*Low response base

Source: 84.51° Real Time Insights Survey, August 2024. Sample sourced from consumers who shopped at Kroger in latest 3 months. n=400.

SECTION 4

AI and the grocery experience: Shaping today, envisioning tomorrow

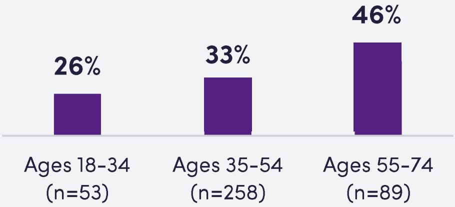
Consumer Digest – October & July

From grocery planning to meal preparation and more, today's shoppers identified several opportunities to shape the grocery experience of tomorrow – making it easier, more convenient, personalized and innovative.

TODAY

Grocery shopping planning is easier for older than younger shoppers.

TOP 2 BOX % - TOTAL 35%



Q: How would you rate the ease of planning for grocery shopping?

TOMORROW

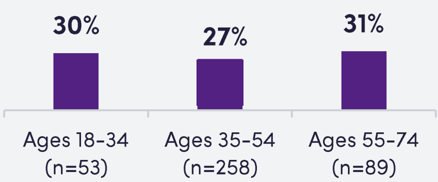
How **grocery planning** could be made easier:

1. Improving online shopping list functionality, including real-time inventory updates.
2. Providing a broad range of digital coupons, with a preference for automatic application.
3. Offering recipe suggestions linked to shopping lists, catering to diverse dietary preferences.
4. Ensuring accurate pricing and stock information on apps and websites.
5. Maintaining consistent store layouts and clear signage to improve the ease of locating products.

Q: What improvements or tools could a brand or grocery retailer offer to make planning for grocery shopping easier?

The ease of **meal prepping and cooking** is somewhat consistent across age cohorts.

TOP 2 BOX % - TOTAL 28%



Q: How would you rate the ease of meal prepping or cooking?

How **meal prepping and cooking** could be made easier:

1. Increasing the variety and affordability of meal kits and grab & go options, catering to different HH sizes and dietary restrictions.
2. Providing recipe ideas or cards conveniently placed in-store and offering digital recipes tailored to customers' purchases and preferences.
3. Offering better deals on prepared foods and meal kits.
4. Selling competitively priced pre-cut or prepared ingredients to save customer's time.
5. Enhancing the selection of healthier and dietary-specific ready-made meals to meet the needs of various customers.

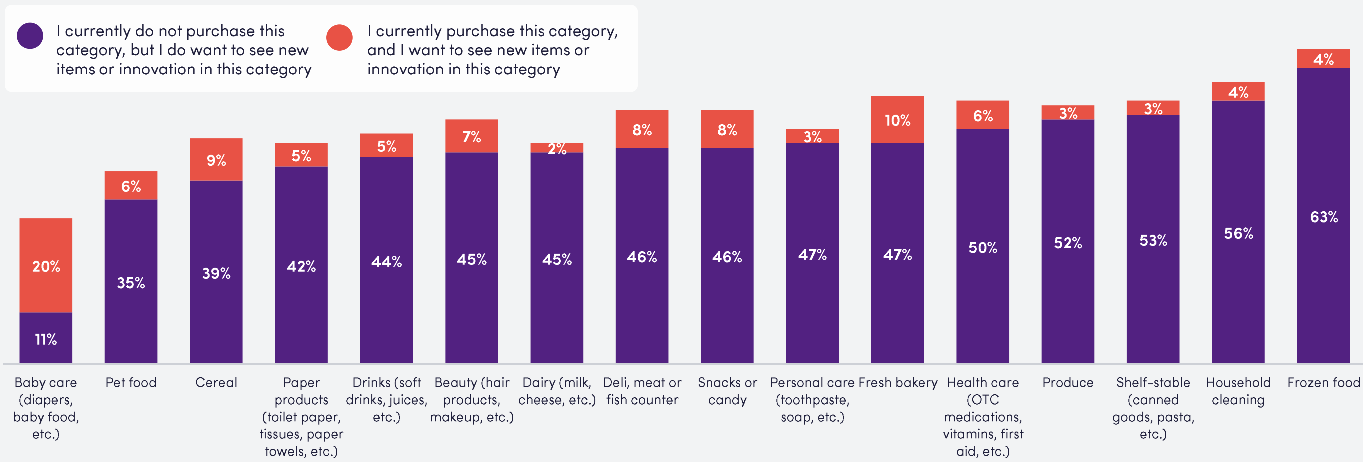
Q: What improvements or tools could a brand or a grocery retailer offer to make meal prepping or cooking meals easier?

Shoppers use primarily digital tools to help build grocery lists

An average of **24% of shoppers** claim to **not use any of type of social media or AI** for their grocery shopping

Q: Thinking of the past year, which of the following platforms or tools have you used to find inspiration for your grocery shopping lists?
Source: 84.51° Real Time Insights Survey, Feb. 2024 – Nov. 2024, among users of each type of media/element.

Categories where grocery shoppers are seeking innovation



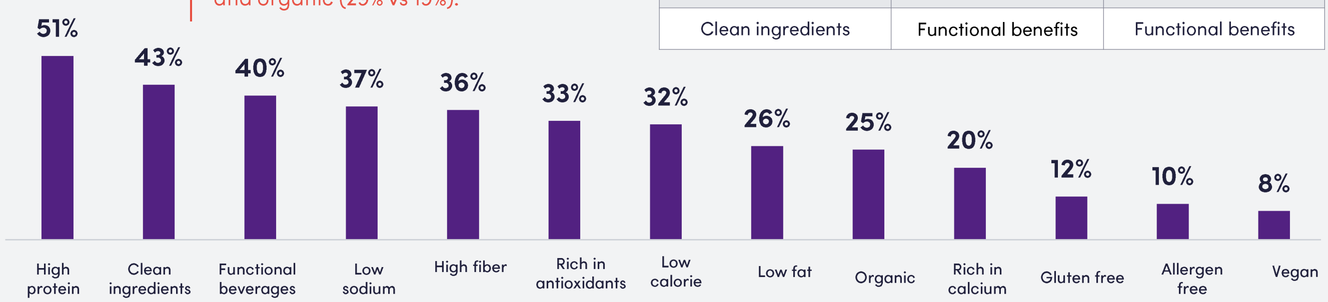
Q: Please select whether you do want or do not want to see new items or innovation in each of the categories.

Shoppers seek new and innovative products with nutritional benefits, with some differences by age cohort

More females than males are seeking innovative items with low fat (30% vs 19%), clean ingredients (48% vs 35%) and organic (29% vs 19%).

Top 3 nutritional benefits sought after by age group

Ages 18-34	Ages 35-54	Ages 55-74
Functional benefits	High protein	High protein
High protein	Clean ingredients	Low sodium
Clean ingredients	Functional benefits	Functional benefits



Q: Which of the following nutritional benefits, if any, would you like new or innovative products? Total base n=400

From app to aisle: Shoppers are using tech-savvy tools

	Digital Coupon Apps	Cashback Apps	Recipe Apps	Price Comparison Apps	Meal Planning Apps	Smart Carts
% currently using and will continue to use in the future	48%	43%	38%	13%	10%	11%
% not currently using but will use in the future	31%	31%	31%	45%	44%	41%

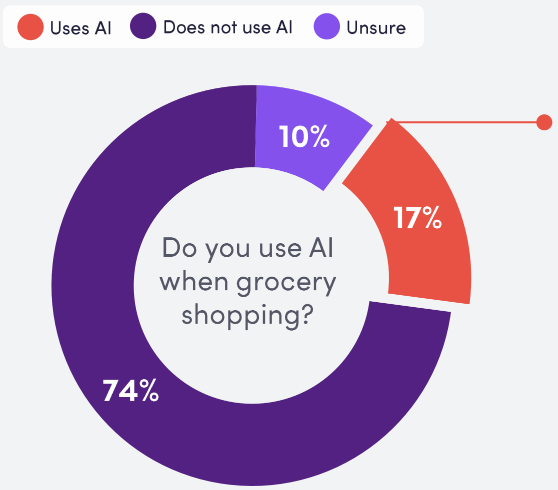
Q: How would you describe your usage of the following technologies when it comes to your grocery planning and grocery shopping (both in-store or online)?

Artificial intelligence for grocery shopping

Only 17% of shoppers were using AI tools in 2024, suggesting significant growth potential for AI in grocery. The tools were primarily used for finding deals, building shopping lists and getting product recommendations. Shoppers who didn't use AI tools were looking for features that help them save time and money but were not interested in the current features.

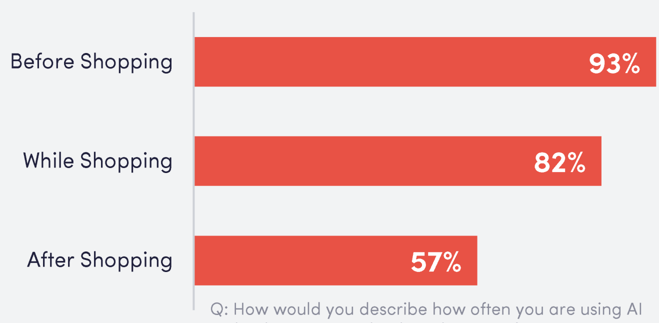
There is growth opportunity for AI in grocery, with only 17% of shoppers currently using AI tools

These "early-adopters" use these tools before, during and even after their shopping trips



Q: Do you currently use any type of Artificial Intelligence (AI) technology or AI tool when shopping for groceries or household items? (n=400)

When do shoppers use AI tools?



Q: How would you describe how often you are using AI technology or AI tools when shopping for your groceries or household items when it comes to the following? (n=66)

Early adopters are focused on finding deals and building their shopping list

"I am using the store's app to get coupons, alerts and recommendations on products that I buy on a regular basis."

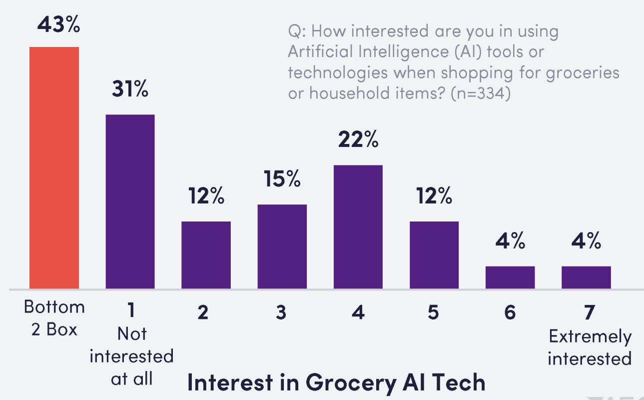
"I use them to make a list and search for coupons and sale prices."

"I use it to pinpoint items and get details with prices. AI allows me to be more efficient without the hassle."

Q: How are you currently using AI technology or AI tools when shopping for your groceries or household items? (n=66)

Shoppers that don't utilize AI aren't interested about the current features

Q: How interested are you in using Artificial Intelligence (AI) tools or technologies when shopping for groceries or household items? (n=334)



Shoppers who **do *not* currently use AI** are looking for features that help them save time and money

71%	58%	44%	42%
Finding sales/deals/ coupons on items	Comparing prices across retailers	Building your shopping list	Meal planning/ suggesting ingredients for meals

Q: Which of the following ways would you consider using Artificial Intelligence (AI) technology or AI tools when shopping for groceries or household items? (n=140)

Source: 84.51° Real Time Insights Survey, July 2024. Sample sourced from consumers who shopped at Kroger in latest 3 months. n=400.

SECTION 5

Looking forward

- Customers predict an evolution in grocery shopping over the next 2-3 years, primarily driven by technological advancements. A common theme is an increased reliance on and expectation of innovation in digital channels. Many anticipate using smartphones, apps and online platforms more frequently for both shopping and meal planning to make it easier and more convenient.
- Using technology is believed to contribute to a more automated yet personalized shopping experience, including smart carts to facilitate faster checkouts and AI integration which suggests grocery items or recipes.
- Cost-conscious behavior is another recurring theme, as many customers anticipate shopping for deals, using more coupons and shifting towards bulk purchasing and generic brands due to rising prices.
- Brands and retailers that stay connected to their customers and understand their mindset, wants, needs and expectations will be better positioned to adapt and thrive in an ever-evolving retail landscape.
- Overall, customers foresee a more personalized, efficient and technology-driven approach to grocery shopping while also being mindful of their budgets.

[Click here to see all the issues of Consumer Digest]

About us

84.51° is a retail data science, insights and media company. We help the Kroger company, consumer packaged goods companies, agencies, publishers and affiliates create more personalized and valuable experiences for shoppers across the path to purchase. Powered by cutting edge science, we utilize 1st party retail data from over 62 million U.S. households sourced through the Kroger Plus loyalty card program to fuel a more customer-centric journey using 84.51° Insights, 84.51° Loyalty Marketing and our retail media advertising solution, Kroger Precision Marketing.

About Consumer Digest

This editorial is developed by the same consumer research and insights experts who provide consultation to help grow your business. 84.51° Stratum shows "what" people buy, and Real Time Insights provides the "why."

84.51° STRATUM

This analytics solution combines rich customer behavior insights with retail performance measures to deliver science-powered insights in a platform to help drive results.

84.51° REAL TIME INSIGHTS

This opt-in survey measures the attitudes, perceptions and stated behaviors of 400 people verified to have shopped at a Kroger banner (over 20 grocery retailers) in the past 3 months.