

# SHOPPER HABITS

The grocery market is being forced to adapt to new ways of shopping. Retail Week research explores what consumers want. By **Katie Barker**

# The changing face

**T**he grocery sector is undergoing a seismic shift. The way people shop is changing, not least because of the growing popularity of online, and grocers are having to restructure their teams to meet these new challenges. And yet stores remain the beating heart of the sector.

Even convenience shops and click-and-collect rely on physical locations. Here we examine what is driving the way consumers shop through these two dominant channels.

Retail Week surveyed 1,000 consumers to find out how they shop as part of *The Changing Dynamics of the Grocery Sector* report in association with Microsoft.

The research found 56% of consumers do all of their food shopping in-store and only 17% do more than half of their food shopping online.

## Online expectations

But online sales are increasing year on year and are the fastest growing part of the UK grocery market. Sales are forecast to more than double between 2014 and 2019 to 8% of the market, according to IGD data.

Online is an area in which supermarkets with an established presence can make steady improvements and win back share from the discounters, as neither Aldi nor Lidl offer online shopping at present.

The research highlighted that there is a need for clearer stock visibility when shopping online.

When asked what would improve their online experience, 52% of consumers said better stock visibility would help.



## Collection

There is also a huge opportunity for grocers in the mobile grocery market. IMRG Capgemini recently found more than half of all traffic to retailers' sites now comes from smartphones and tablet devices.

Convenience is the most important factor for those shopping online, with 40% citing it as something they value.

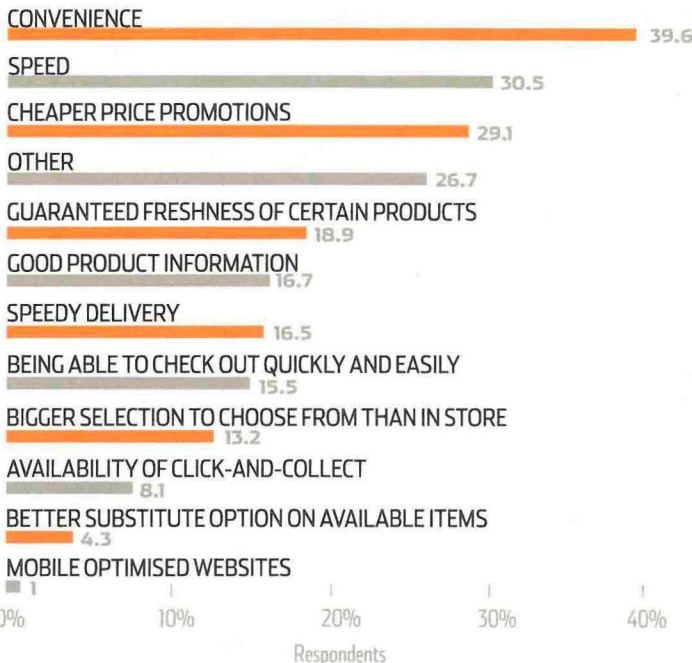
Last year Asda overhauled its online business and invested in click-and-collect technology to make it even more convenient for customers to shop. The grocer has been one of those leading the way in click-and-collect; it was the first retailer to test the service in London Underground stations and plans to open 1,000 collection points by 2018.

Online sales expected to be **8%** of the grocery market by 2019



## ONLINE V

### What is important to you when buying food online?



Download The Changing Dynamics of the Grocery Sector report at [Retail-week.com/groceryguide](http://Retail-week.com/groceryguide)



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## STORE



**75%**

The percentage of 18 to 24-year-olds who value self-service tills

### The draw of the store

The main advantage of shopping in-store for consumers is the wide range of products on offer – 76% say this is important to them when shopping in-store, while 66% say being able to see and choose specific products is vital.

Convenience is also key in-store, along with ensuring physical locations target the right customers. Asda is responding to these needs by launching smaller format stores later this year. The grocer will open its first high street stores in London in summer, which will focus on food to go, bakery and ‘meal solutions’, as well as offering click-and-collect.

Aside from self-service checkouts, in-store technology is still relatively new to consumers, but it is only going to increase in importance as millennials come of age.

The research shows that the youngest age groups consistently value in-store technology more than any other consumers. Self-service tills are favoured by 75% of 18 to 24-year-olds compared with the national average of 55%, while 29% of the youngest shoppers surveyed value free wi-fi, and 32% think scan and shop is useful in-store technology.

The seamless blending of physical and digital offerings is one way the big four can attempt to build loyalty from the tech-savvy younger generations, who value experience and information in their shopping journeys.

Technology will continue to creep into the shopper journey but it is not the only way the grocers can attract customers and keep them coming back. Supermarket giants must keep one step ahead of how habits are changing and ensure they can provide the most convenient offer to today’s shoppers.

### What is important to you when buying food in-store?



### Which of the following in-store technology do you find valuable? (18 to 24-year-olds)

