

Grocery is the final frontier for the true omnichannel dynamic, and today grocery shopping online is still more hypothetical than a true business driver. Compared to all other retail segments, grocery sales through online platforms represent a very small part of the overall grocery retail market.

The vast majority of grocery shopping still takes place in traditional brick-and-mortar stores. But according to industry experts, this pattern may change during the next decade. More and more tech-savvy retailers now offer grocery delivery options for their customers. As of 2016, some 5 percent of U.S. consumers preferred shopping for groceries online. In total, U.S. online grocery sales amounted to about 7 billion U.S. dollars in 2015 and are expected to rise to 18 billion U.S. dollars by 2020.¹

Although traditional in-store behaviors are still prevalent (many consumers want to physically hold, touch and smell their produce before buying it), like most businesses, grocery will somehow, someday find its way more prominently online. Retail marketers will need to be at the forefront with the right strategies in place to capitalize on this shift.

The Internet is a primary source — can you afford NOT to be online?

Top Sources of Information



Online/Internet
40%



Media
30%



Print Media
16%



Word of Mouth
14%

Source: National Grocers Association 2016 Nielsen Research: *Going to Market, A National Survey of Grocery Shoppers*

Advancements in technology, analytics and omnichannel customer experience are changing the game for grocers. Some of the hallmark KPIs of customer value such as shop frequency, spend and breadth of purchase are no longer addressed by the typical print and email marketing approach. Grocers can now treat every customer individually and drive their KPIs to be both unique and relevant...and actually afford to do so!

¹Statista: U.S. consumers: Online Grocery Shopping - Statistics & Facts

Grocery retailers are finally able to use the treasure trove of consumer data to deliver an exceptional shopping experience that builds a stronger connection with their customers. With the help of an advanced customer engagement company, grocers can present **individualized offers** in real-time to encourage increased purchase frequency and breadth of category penetration.

Other behaviors that span online engagement, like email sign-up or mobile app download, can deepen the customer relationship, build the engagement ecosystem and drive ROI. The investments grocery retailers make in technology provide a measurable return when you layer in the competitive edge of advanced customer engagement.

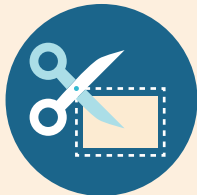
The company you work with to drive these high-value customer behaviors should provide a cloud-based solution, which requires light integration but allows for propensity modeling and cognitive analytics to occur in real-time. The pricing model typically spans a fee-for-service or pay-for-performance model. When you are researching vendors to implement this type of solution, make sure you are working with a true partner. After all, you will be working with a company that must be a good steward of your customer, secure in the use of your precious data, mindful of your economics and has a vested interest in your success.

Food for Thought: How Grocers are Balancing Print and Online Marketing Tactics

You need a steady diet of online and print to reach your customers

% Always / Sometimes Do This to Save Money

All Shoppers:



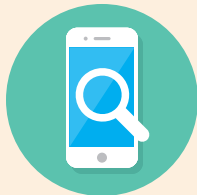
Use cents off coupons received in the mail or from newspapers / magazines

68%



Look in newspapers for grocery specials

68%



Search online for coupons from your store

47%



Use mail-in rebates for cash refunds

40%



Search online for daily deals, such as Groupon

30%

Source: National Grocers Association 2016 Nielsen Research: *Going to Market, A National Survey of Grocery Shoppers*

To learn more about developing a customer engagement strategy visit www.exchangesolutions.com today.

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