The Online Shopper

How are they different across key retailers?

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Erika Reid

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Shopper Intelligence
Understand. Influence. Lead.

Shopper Intelligence

Who we are

Jason Smith

Managing Director - USA

Erika Reid

Category & Insights Director

At Shopper Intelligence, We Provide the "Why" to Complement the "What"

How?

- Ongoing syndicated shopper study that tracks over 100+ categories and 50+ retailers
- Standardized questions allow for benchmarking, comparing & ranking

We help our clients:

- Create a shopper centric approach both internally and with their retailers
- Prioritize category strategies for more effective and efficient planning
- Build alignment between retailers, manufacturers and shoppers

Shopper Intelligence

What are the insights we know on your category?

Category DNA

Helps to define category strategy

Wants & Needs

Understand priorities & retailer performance

Path To Purchase

Triggers to leverage on the P2P

Shopper Profile

Analyze a wide range of shopper dynamics

Shopper Intelligence

Which US retailers are currently being tracked by Shopper Intelligence?

MASS MERCH
- Walmart
- TARGET

CLUB
- COSTCO WHOLESALE
- sam's club
- BJ's

OTHER
- THE VITAMIN SHOPPE
- Bath & Body Works

GROCERY
- meijer
- Wegmans
- Publix
- SAFEWAY
- giant eagle
- Stop&Shop
- ShopRite
- Kroger
- HyVee EMPLOYEE OWNED
- H-E-B
- GIANT
- WHOLE FOODS MARKET
- ALDI
- Albertsons
- TRADER JOE'S
- Winn-Dixie
- SpartanNash
- Price Chopper
- FOOD LION

DOLLAR
- DOLLAR GENERAL
- FAMILY DOLLAR

PET SPECIALTY
- chewy
- PET SUPPLIES PLUS
- petco
- PETSMART

HOME IMPROVEMENT
- THE HOME DEPOT
- LOWE'S
- MENARDS
- ACE Hardware
- True Value

DRUG
- CVS pharmacy
- Walgreens
- RITE AID

BEAUTY
- ULTA BEAUTY
- SEPHORA

LIQUOR
- Total Wine & MORE
- BevMo!

ONLINE
- TARGET
- Walmart
- Kroger
- COSTCO WHOLESALE
- amazon
- sam's club
- PETSMART
- Shipt
- instacart

CONVENIENCE
- 7-ELEVEN
- CIRCLE K
- Speedway

Which categories are currently being tracked by Shopper Intelligence?

Shopper Intelligence

110+ categories being tracked

New categories added every quarter

Alcohol Dept
Beer
Champagne & Sparkling Wine
Hard Seltzer
Red Wine
Spirits/Liquors
White & Rosé Wine

Baby Dept
Baby Food
Diapers & Training Pants
Disposable Wipes
Infant & Toddler Formula

Bakery Dept
Fresh Rolls & Baked Goods
Hot Dog & Hamburger Buns
Prepackaged Bread

Beverages Dept
Energy Drinks
Shelf Stable Juices
Ready to Drink Tea
Refrigerated Juices & Drinks
Soft Drinks
Sports Drinks
Water

Dairy Dept
Butter & Margarine
Cottage/Cream Cheese, Sour Cream
Deli Cheese
Eggs
Milk
Natural or Processed Cheese
Yogurt

Frozen Dept
Frozen Breakfast
Frozen Dinners & Entrées
Frozen Meat
Frozen Pizza
Frozen Potatoes & Onion Rings
Frozen Seafood
Frozen Snacks
Frozen Vegetables
Ice Cream
Ice Cream Novelties

Gen Merchandise Dept
Checkout Magazines & Newspapers
Greeting Cards
Office & School Supplies
Toys

Grocery Dept
Canned & Jarred Vegetables
Canned & Pouch Tuna
Coffee
Dips & Spreads
Dry Pasta
Fruit Spreads
Nut Butters
Pasta Sauces
Prepackaged Dried Fruit
Ready-To-Eat Cereal
Rice
Side Dishes
Soup
Sugar & Sweeteners
Tea
Toaster Pastries
Vegetable & Cooking Oils

HABA Dept
Adult Incontinence
Adult Pain Relievers
Antacids & Stomach
Bar Soap Products
Body Wash
Cosmetics - Facial Makeup
Cosmetics - Lips
Cosmetics - Nails
Deodorant & Antiperspirant
Fragrances
Hair Coloring Products
Hair Removal
Hair Styling Aids
Interdental Products
Mouthwashes & Rinses
Razors & Blades
Sexual Wellbeing/Family Planning
Shampoo & Conditioners
Shave Preps
Skin Care
Soap - Liquid & Sanitizers
Specialty Bath
Toothbrushes
Toothpaste & Whiteners
Upper Respiratory
Vitamins/Minerals/Supplements

Household Products Dept
Air Care
Dish Care
Fabric Care
Laundry Detergent
Surface Care

Meat Dept
Bacon
Fresh Meat
Fresh Seafood
Hot Dogs
Sausage
Sliced Lunch Meat

Paper Dept
Bathroom Tissue
Disposable Plates
Disposabale Cups
Disposable Cutlery
Facial Tissue
Napkins
Paper Towels

Pet Care Dept
Cat Food & Treats
Dog Food
Dog Treats & Chews

Produce Dept
Fresh Fruit
Fresh Vegetables

Snacking Dept
Checkout Chocolate Candy
Checkout Gum & Mints
Cookies
Energy & Protein Bars
In Aisle Chocolate Candy
In Aisle Gum & Mints
Salty Snacks
Snack Crackers
Snack Nuts
Sugar Candy

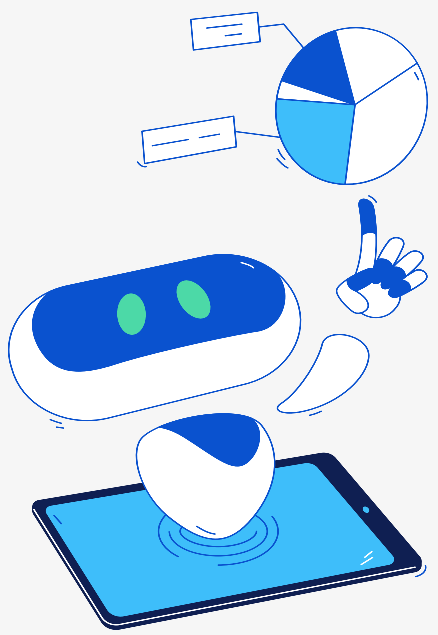
Current US Categories Q2 2024

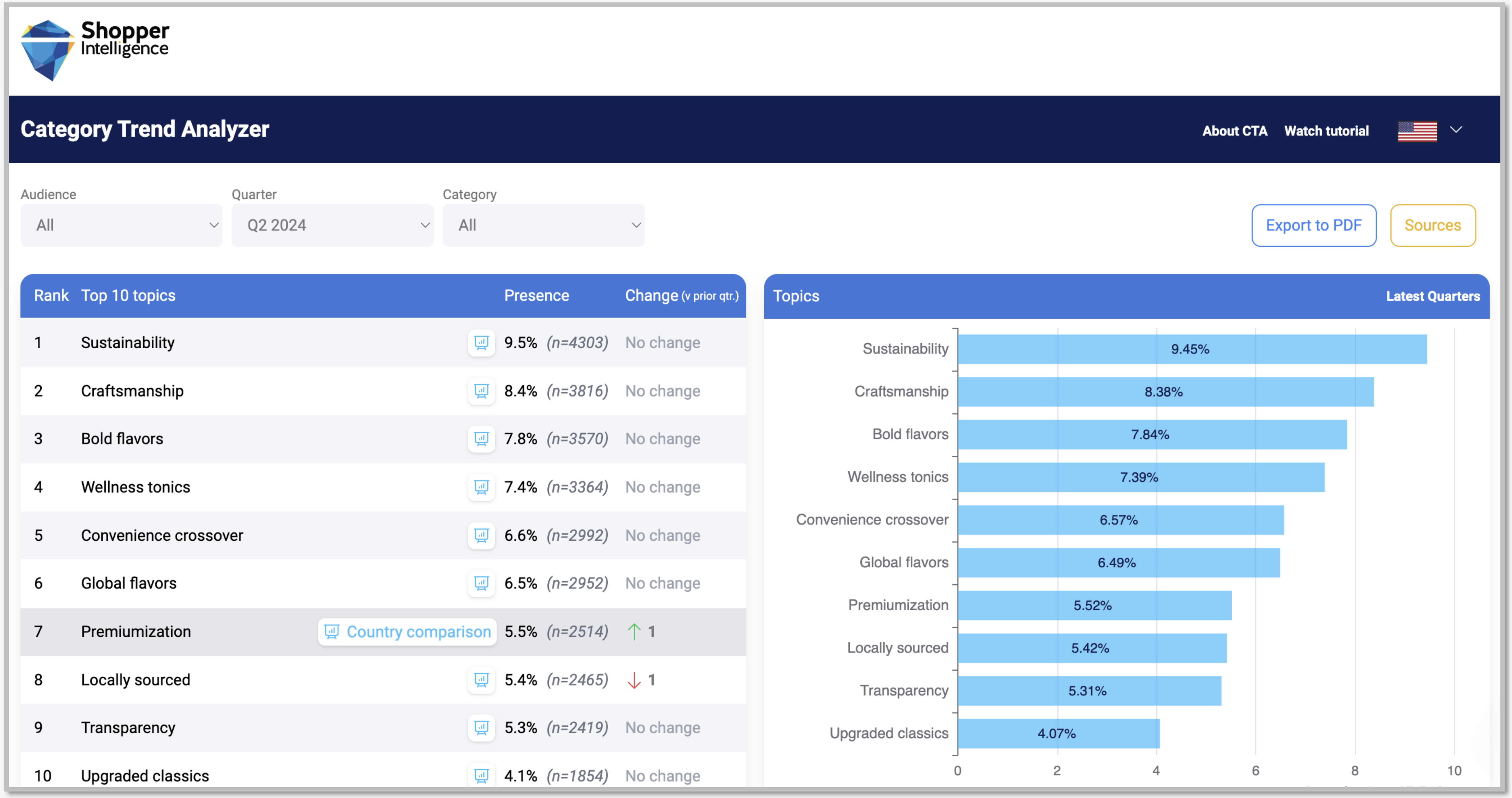
Shopper Intelligence

Category Trend Analyzer (FREE FOR 2024)

A cutting-edge tool that transcends traditional keyword searches

It explores social media and industry publications to discover the hottest CPG trends so you can make decisions that keep you ahead of the curve.





shopperintelligence.com/category-trend-analyzer/

Shopper Intelligence

Online grocery continues to evolve

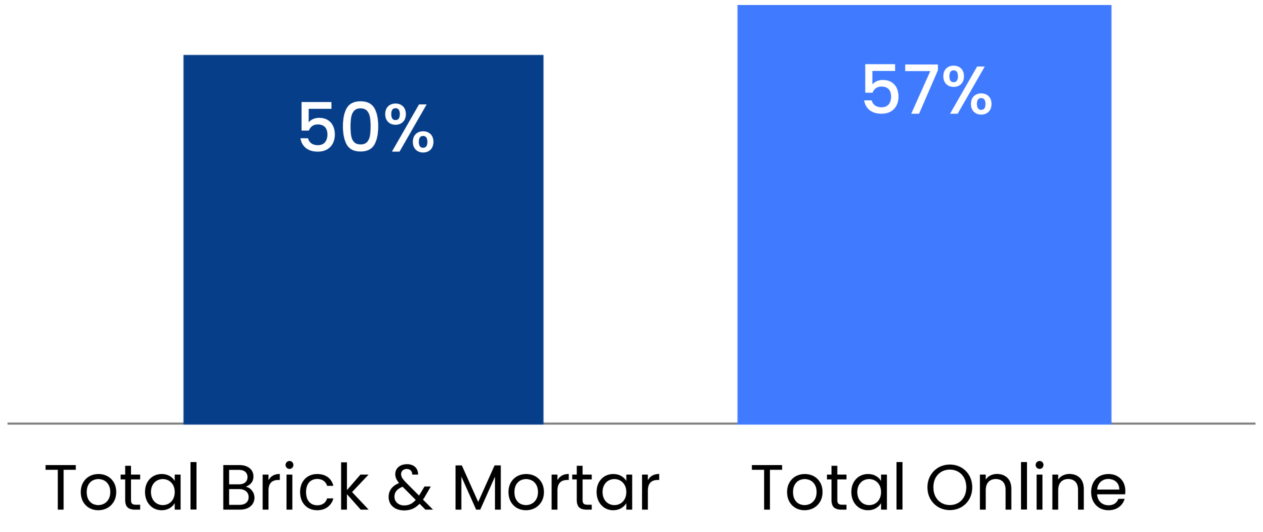
"Subscription Services Drive Online Grocery Sales"

"Online Grocery Market Projected to Reach $3.4 Trillion by 2033"

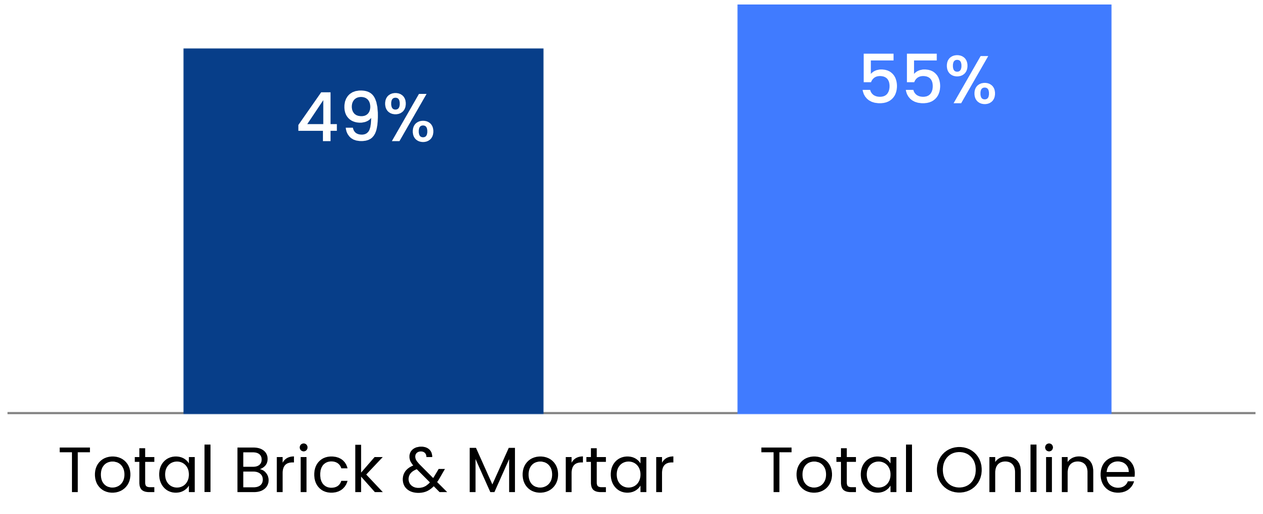
"Online Grocery Shopping Shows Sustained Growth Post-Pandemic"

Online is a larger Traffic and Spend Driver compared to Brick & Mortar

Traffic



Spend



"One of the Main Reasons I go Shopping"

TARGET.com

"Promotions encourage me to Shop at RETAILER"

TARGET.com

"I don't mind paying more"

amazon

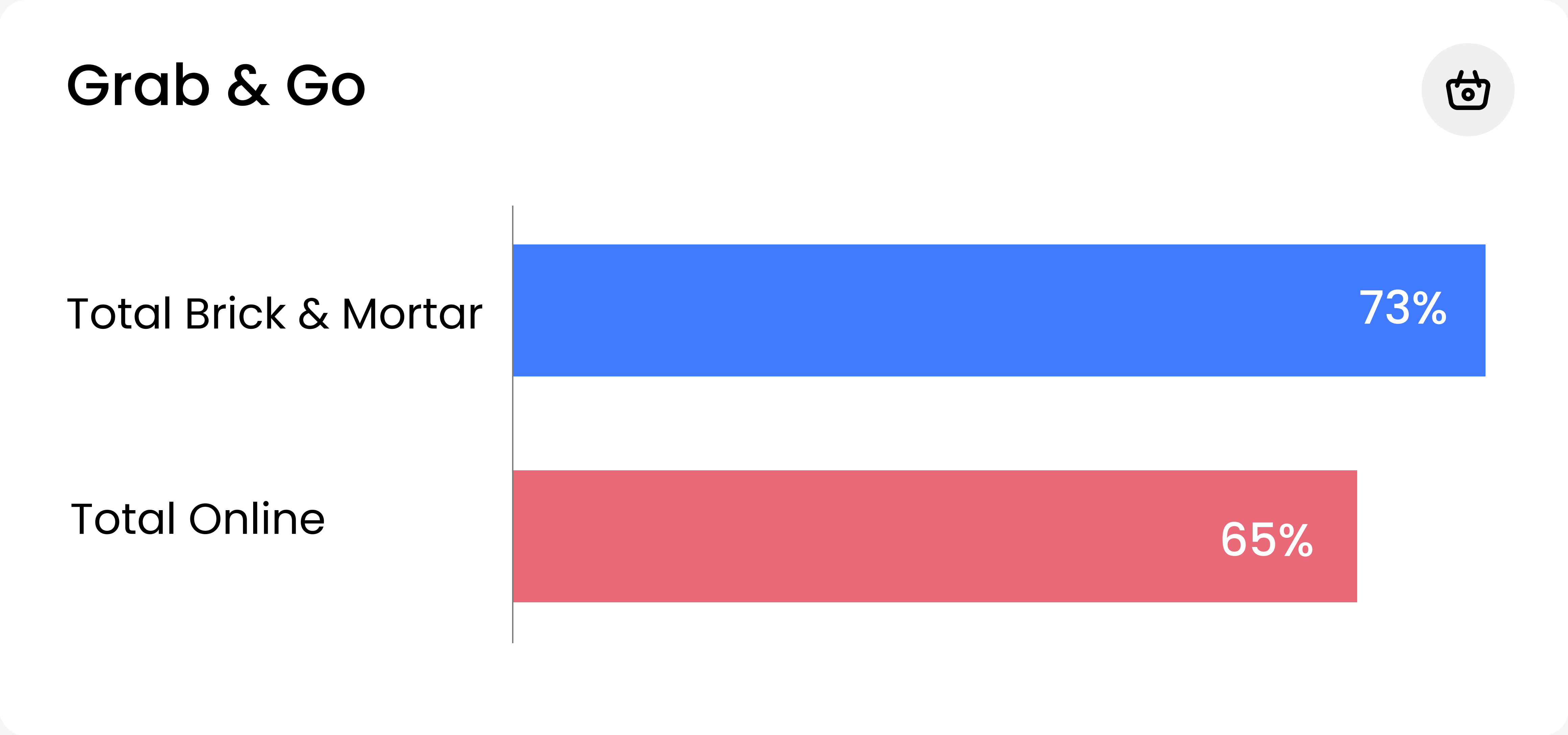
"I often buy extra"

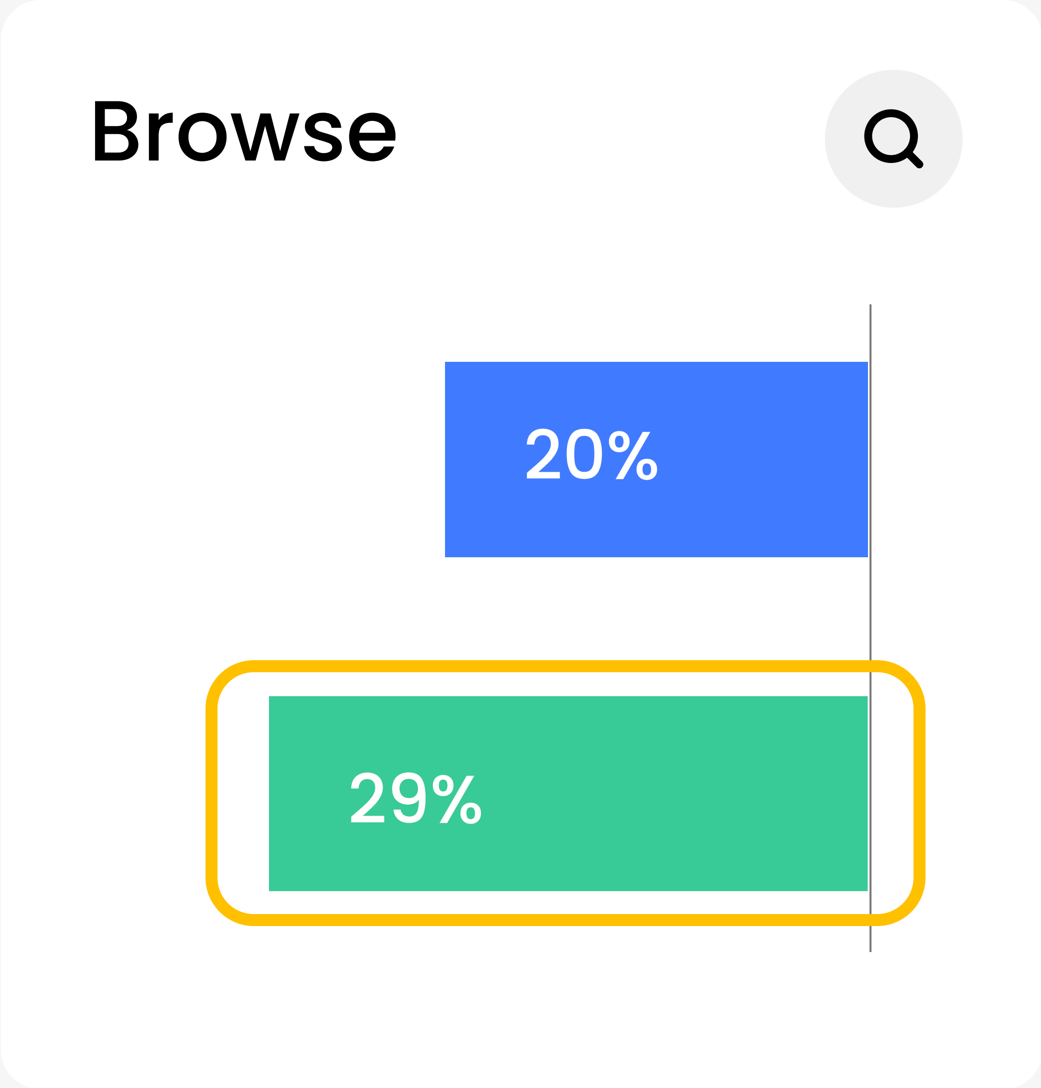
Kroger.com

? Traffic and Spend Promoter Score: Aggregate of 5 measures; Statements: Largest Traffic and Spend Driver Over-index compared to the Average Online Shopper

Source: Shopper Intelligence Survey; 12 months to Q2 2024; 100,698 Brick & Mortar Shoppers; 44,578 Online Shoppers; Promoter Score = % of shoppers who agreed or strongly agreed shopping for CATEGORY in RETAILER

While most Shoppers like to Grab & Go, Online Shoppers over index for wanting to Browse

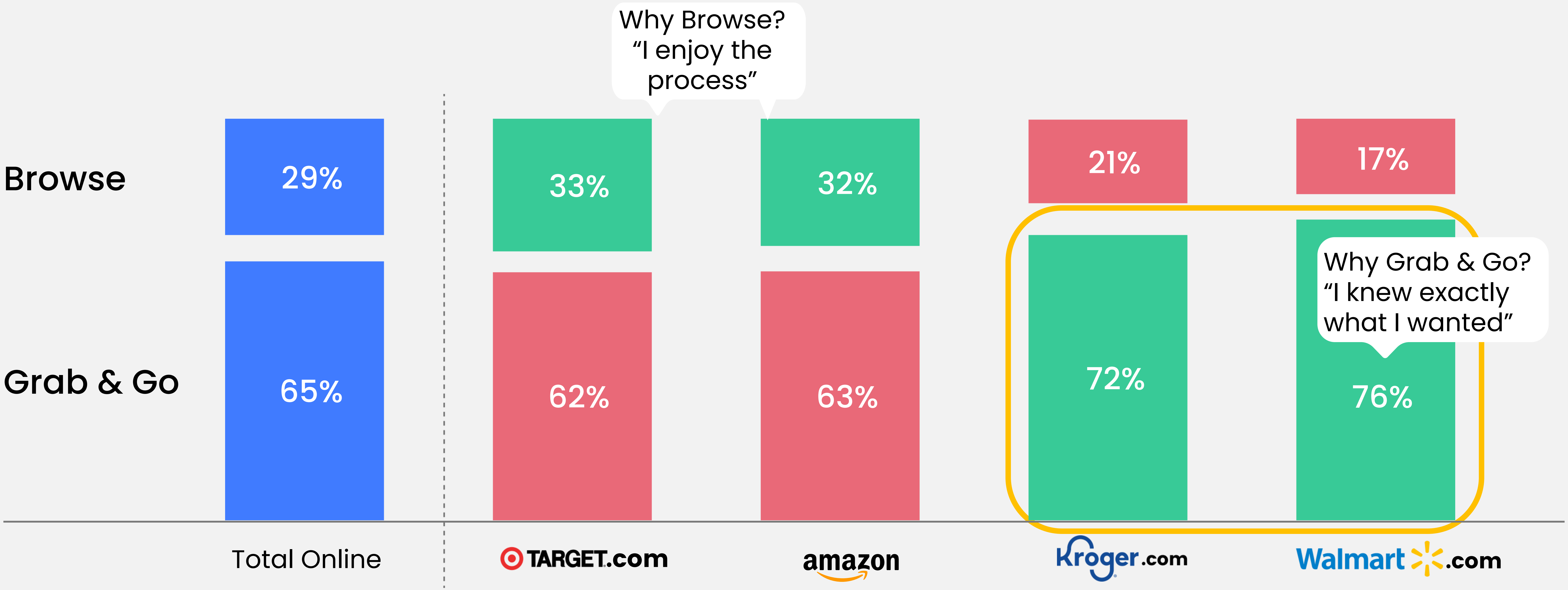




? Do Shoppers want to make their decision quickly or do they want to spend time looking when they shop?

Source: Shopper Intelligence Survey; 12 months to Q2 2024; 100,698 Brick & Mortar Shoppers; 44,578 Online Shoppers; % of Shoppers

Online Walmart and Kroger Shoppers are more on Autopilot while Amazon and Target Shoppers are willing to spend more time shopping the category



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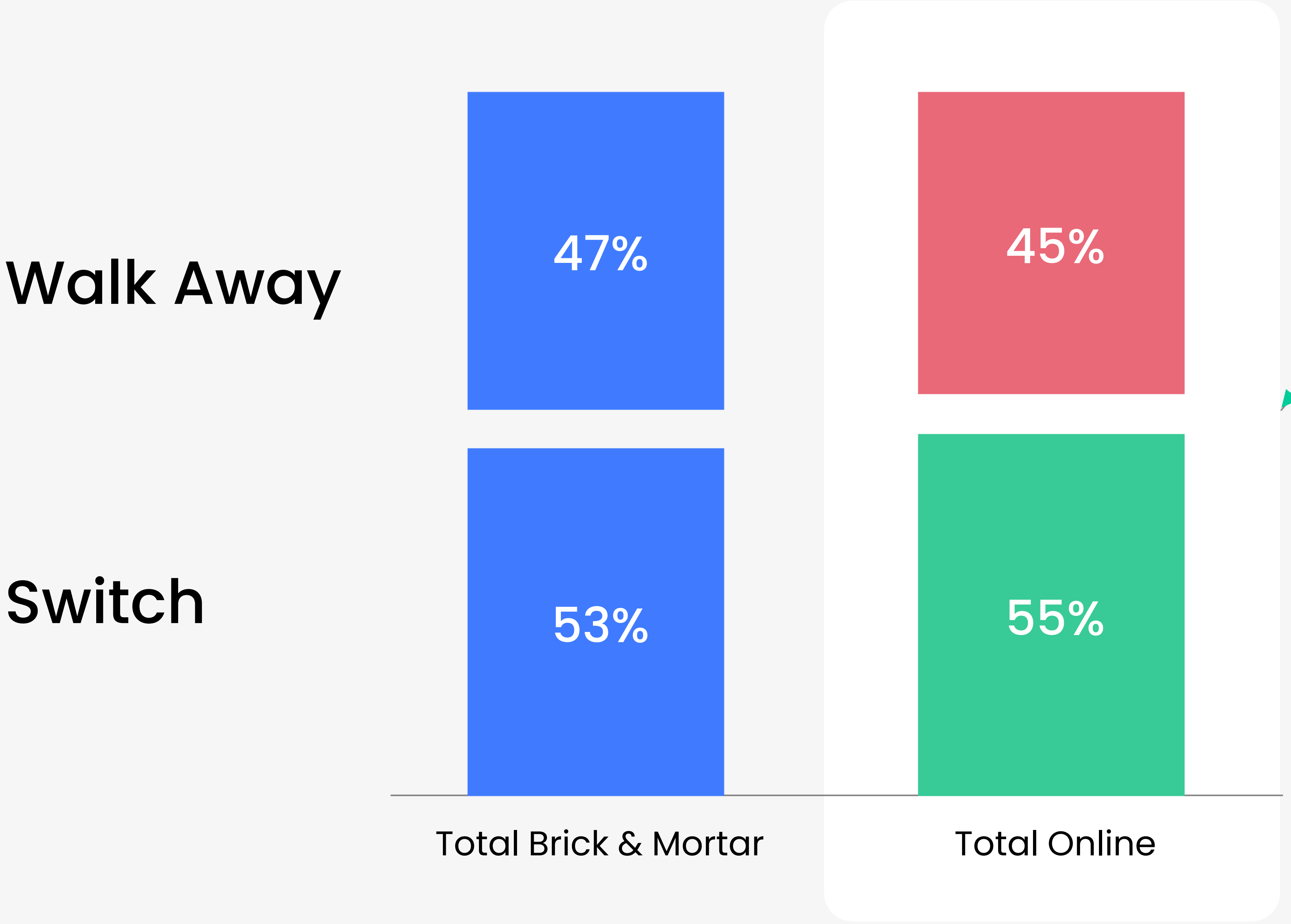
Source: Shopper Intelligence Survey; 12 months to Q2 2024; 100,698 Brick & Mortar Shoppers; 44,578 Online Shoppers; % of Shoppers; Statements:

Online Shoppers are more likely than Brick & Mortar Shoppers to Switch Products ..and stay within Brand than to Walk Away if they can't find what they want



.. And Online shoppers are more Brand Loyal

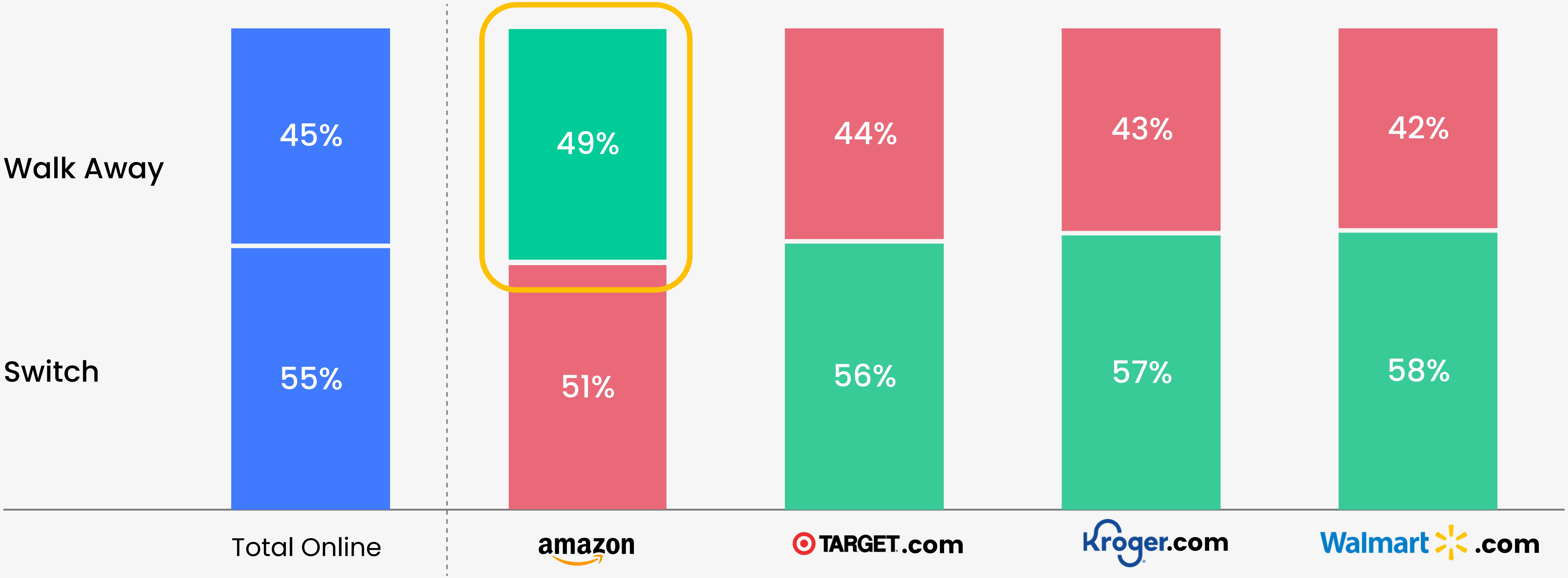
30%

of Online Shoppers would switch **but stay within same Brand** compared to **22%** of Brick & Mortar Shoppers

? Think about the size/amount and type/flavor of (brand bought on last trip) you bought. If this had not been available, which of these would you have most likely done? And which would you have least likely done?

Source: Shopper Intelligence Survey; 12 months to Q2 2024; 100,698 Brick & Mortar Shoppers; 44,578 Online Shoppers; % of Shoppers

Amazon Shoppers are more likely to Walk Away than the Average Online Shopper



? Think about the size/amount and type/flavour of (brand bought on last trip) you bought. If this had not been available, which of these would you have most likely done? And which would you have least likely done?

Source: Shopper Intelligence Survey; 12 months to Q2 2024; 100,698 Brick & Mortar Shoppers; 44,578 Online Shoppers; % of Shoppers

Online Shopper Priorities can be very different

Importance Factors	All Retailers	Total Brick & Mortar	Total Online / Kroger.com	Walmart.com	amazon / TARGET.com
Quality	1*	3	1*	3	1*
Prices	2	1*	3	1*	4
Brands	3	2	4	2	2
Fresh	4	4	2	4	3
Layout	5	5	5	5	5

Source: Shopper Intelligence Survey; 12 months to Q2 2024; 100,698 Brick & Mortar Shoppers; 44,578 Online Shoppers; Importance Rank of Factor

Shopper Intelligence

Overall Satisfaction is slightly lower for online shoppers driven by Assortment and Execution concerns

Total Online

Satisfaction compared to All Retailer Average

OVERALL SATISFACTION	PRICE	PRODUCT	ASSORTMENT	EXECUTION
59%	56%	57%	61%	59%

Retailer Over/Under-index to Total Online Average	OVERALL SATISFACTION	PRICE	PRODUCT	ASSORTMENT	EXECUTION
amazon	↑	↑	↑	↑	↑
Walmart.com			↓	↑	↑
TARGET.com	↑	↑	↑		
Kroger.com		↓		↑	↑

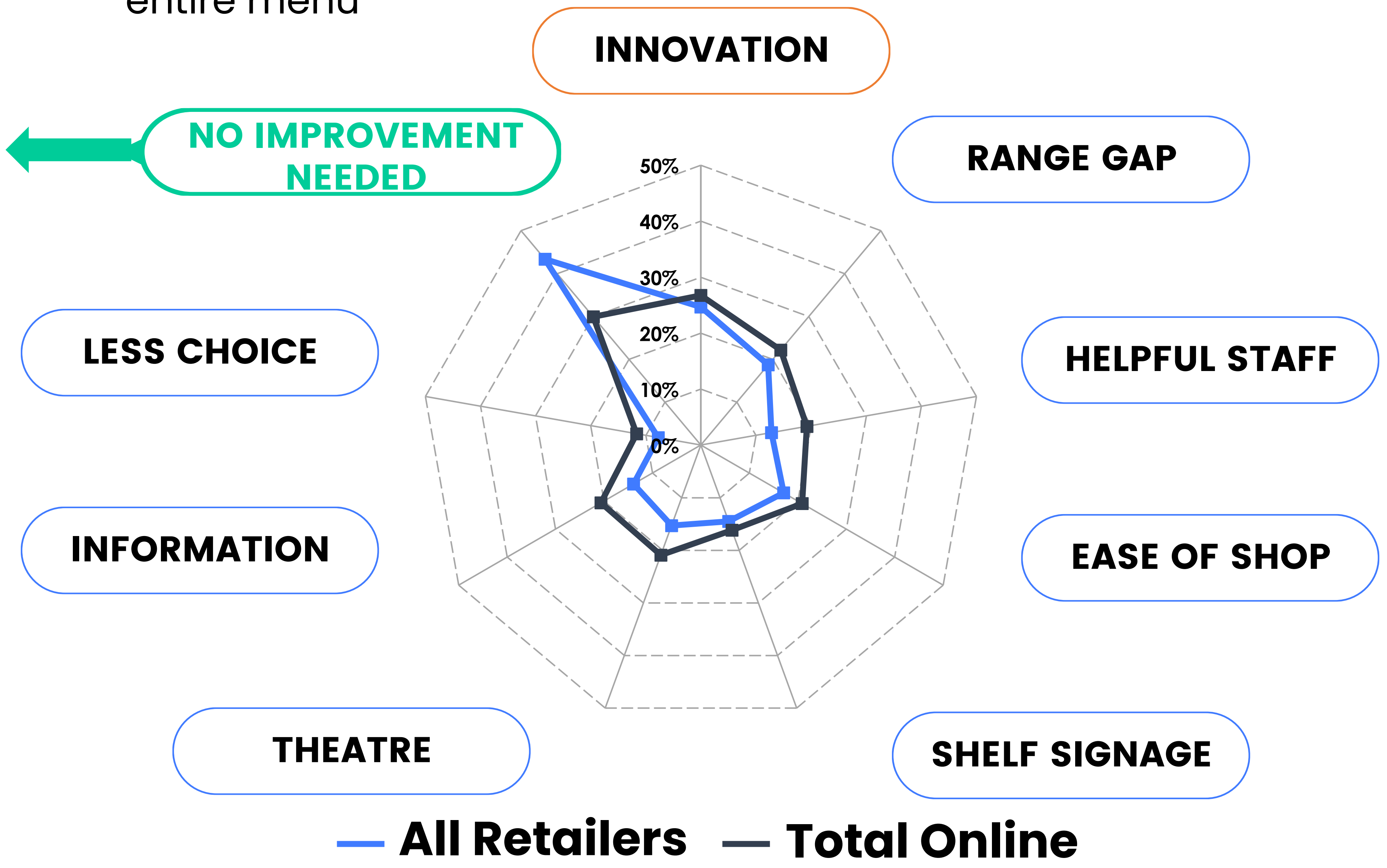
? The Overall Satisfaction Score is the average of satisfaction ratings on the various statements, weighted by their importance.

Source: Shopper Intelligence Survey; 12 months to Q2 2024; 100,698 Brick & Mortar Shoppers; 44,578 Online Shoppers; % of Shoppers; Total Online Over/Underindex compared to All Retailer Average; Amazon, Walmart.com, Target.com, Kroger.com Over/Underindex compared to Total Online Shopper Average

While Walmart and Kroger shoppers were relatively happy compared to the average online shoppers, Target Shoppers were the least likely to say "No Improvement is Needed"

	No Improvement Needed
All Retailers	43%
Total Online	30%
Walmart.com	46%
Kroger.com	46%
amazon	31%
TARGET.com	21%

Online shoppers are generally just more demanding
Top requested is **Innovation**, but they want improvements across the entire menu



? If you had to improve CATEGORY in RETAILER, which ones would you choose?

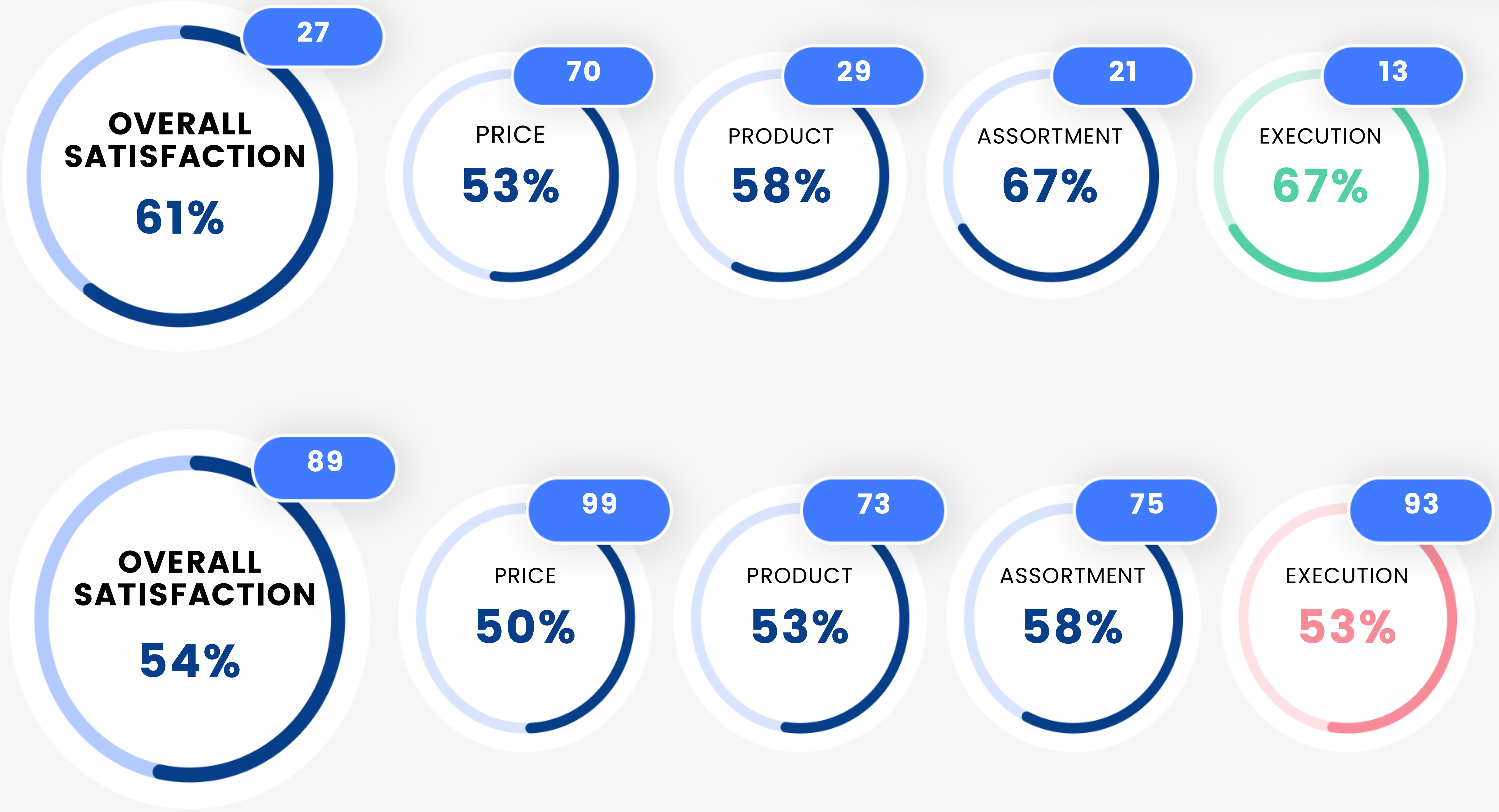
Source: Shopper Intelligence Survey; 12 months to Q2 2024; 100,698 Brick & Mortar Shoppers; 44,578 Online Shoppers; % of Shoppers

Ready-to-Eat Cereal Example

Cereal is top ranked quartile for Satisfaction at Brick & Mortar whereas at Online it lands in the bottom quartile driven by under index on Execution.

TOTAL BRICK & MORTAR

TOTAL ONLINE



? The Overall Satisfaction Score is the average of satisfaction ratings on the various statements, weighted by their importance.

Benchmark: All Retailers (Ready-To-Eat Cereal)

Source: Shopper Intelligence Survey; 12 months to Q2 2024; n=509 Total Brick & Mortar, 254 Total Online

Rank (of 117) | **n=763**

Shopper Intelligence

Price is the Biggest Opportunity Area for Improving Shopper Satisfaction at Brick & Mortar while Online Key Improvement is Layout

Ready-To-Eat Cereal

TOTAL BRICK & MORTAR

Factor Summary	Importance	Importance Rank	Satisfaction	Satisfaction Rank
Prices	3.7	16	64%	81
Offers	3.4	14	64%	10
Layout	3.4	78	82%	25
OOS	3.4	19	65%	14

Ready-To-Eat Cereal

TOTAL ONLINE

Factor Summary	Importance	Importance Rank	Satisfaction	Satisfaction Rank
Prices	3.5	82	68%	69
Offers	3.5	22	57%	100
Layout	3.6	42	70%	100
OOS	3.6	2	60%	78

Rank (of 117)

n=763

?

Importance: Avg Out of 5

Promoter Score = % of shoppers who agreed or strongly agreed shopping for CATEGORY in RETAILER

Benchmark: All Retailers (Ready-To-Eat Cereal)

Source: Shopper Intelligence Survey; 12 months to Q2 2024; n=509 Total Brick & Mortar, n=254 Total Online

Online Shopper Profile and Strategies for Growth

KEY TRAFFIC DRIVERS

Doesn't Want to **Run Out**
Price Beacon

- Create Memory Anchors as reminders to stock up
- Continue focus on value

KEY SPEND DRIVERS

Premium: Don't Mind Spending More
Newness: Buy New & Different

- Spotlight new products and inspiration
- Examine promotional strategy to upweight basket

SHOPPING MODE

Love to **Grab & Go** as know what they want

- Search optimization
- Default to Best Sellers Sort
- Improve Navigation
- Enhance Product Images and Content

DESIRED IMPROVEMENTS

More **Innovation,**
Wider **Assortment**

- Identify need state gaps
- Highlight newness with media investment

WALK AWAY OR SWITCH?

Switch to a
Different Brand

- Focus on availability
- Optimize online taxonomy so shoppers can find what the want

SHOPPER SATISFACTION

New Products, Good Special
Offers, **Enjoyable** to Shop

- Devise an online specific Promotional strategy
- Examine Satisfaction by Category

Source: Shopper Intelligence Survey; 12 months to Q2 2024; 8,944 Walmart.com Shoppers; 44,578 Total Online Shoppers;

In Summary

1 Opportunity to drive larger baskets with Online shoppers

Online shoppers are more willing to browse the category and are open to trading up on the trip. Biggest opportunity at Amazon and Target.com

2 Most Online shoppers prioritize quality over price

Price is the #1 lever for Brick & Mortar shoppers, but it only ranks #3 for Total Online & Kroger.com and #4 for Amazon & Target.com

3 Satisfaction is not good enough for Online

Biggest opportunities areas for Online are improving Offers, Layout and OOS

Actions

1 Get the Basics right

- Optimize images, description and product information
- Examine and improve your taxonomy and segmentation for filtering to enable shoppers to find what they want more easily
- Check for product gaps by need state

2 Tailor your Content

- Online shoppers want more innovation and inspiration. Find ways to cater to this with enhanced content
- Tailor merchandising and content to the specific Online Shopper

Want to learn more?

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Erika Reid
Category & Insights Director
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Erika.Reid@shopperintelligence.com

Book a Demo:

Shopperintelligence.com/book-a-demo/

THANK YOU!

Any Questions?

Shopper Intelligence

Appendix

Online Shopper Profile and Strategies for Growth

KEY TRAFFIC DRIVERS

Promotions
Main Reason to Shop

- Create Memory Anchors as reminders to stock up
- Invest in Promotions and hone Strategy by Category

KEY SPEND DRIVERS

Newness: Buy New & Different
Impulse: Feel Like it

- Spotlight new products and inspiration
- Focus on extra item add ons

SHOPPING MODE

Love to **Browse** Because They Enjoy the Process and are Interested

- Optimize images and descriptions and focus on inspiration, new ideas and reviews
- Focus on easy filtering and sorting allowing shoppers to browse by product attributes, price and brand

DESIRED IMPROVEMENTS

More **Innovation**,
Product **Layout**

- Prioritize highlighting of new products
- Optimize product information, description, images and taxonomy and allow for easy filtering with category specific segmentation

WALK AWAY OR SWITCH?

Switch to Different Type/Size of
Same Brand

- Minimize out of stocks and ensure top Brands are visible
- Optimize online taxonomy so shoppers can find what the want
- Shoppers are more Brand Loyal, so highlight Brand availability

SHOPPER SATISFACTION

New Products, **Out of Stocks,**
Enjoyable to Shop

- Focus on optimizing out of stocks
- Develop events and seasonal focus themes to highlight newness

Source: Shopper Intelligence Survey; 12 months to Q2 2024; 5,842 Target.com Shoppers; 44,578 Total Online Shoppers;

Online Shopper Profile and Strategies for Growth

KEY TRAFFIC DRIVERS

Promotions
Price Beacon

- Invest in Online Only Specials to create buzz
- Examine and optimize Promotional Strategy by category
- Highlight value comparisons

KEY SPEND DRIVERS

Newness: Buy New & Different
Premium: Will Pay More

- Spotlight new products and inspiration
- Limited time offers to create urgency and excitement
- Premium product bundles

SHOPPING MODE

Love to **Grab & Go** Because They Know What They Want

- Search optimization
- Default to Best Sellers Sort
- Improve Navigation
- Enhance Product Images and Content

DESIRED IMPROVEMENTS

More **Innovation**, Assortment **Gaps**, **Layout**

- Prioritize highlighting of new products
- Optimize assortment to ensure gaps are closed
- Optimize product information, description, images and taxonomy and allow for easy filtering with category specific segmentation

WALK AWAY OR SWITCH?

Switch to
a Different Brand

- Minimize out of stocks and ensure Need States are always in stock
- Optimize online taxonomy so shoppers can find what the want

SHOPPER SATISFACTION

New Products, **Premium** are Better, **Enjoyable** to Shop

- Highlight premium tier
- Develop events and seasonal focus themes to highlight newness

Source: Shopper Intelligence Survey; 12 months to Q2 2024; 10,137 Kroger.com Shoppers; 44,578 Total Online Shoppers;

Online Shopper Profile and Strategies for Growth

KEY TRAFFIC DRIVERS

Doesn't Want to **Run Out**
Price Beacon

- Create Memory Anchors as reminders to stock up
- Continue focus on value

KEY SPEND DRIVERS

Newness: Buy New & Different
Premium: Will Pay More

- Spotlight new products and inspiration
- Limited time offers to create urgency and excitement
- Premium product bundles

SHOPPING MODE

Love to **Browse** Because They Enjoy the Process and are Interested

- Optimize images and descriptions and focus on inspiration, new ideas and reviews
- Focus on easy filtering and sorting allowing shoppers to browse by product attributes, price and brand

DESIRED IMPROVEMENTS

More **Innovation**, Assortment **Gaps**, **Information**

- Prioritize highlighting of new products
- Optimize assortment to ensure gaps are closed
- Focus on tactics to incorporate more information

WALK AWAY OR SWITCH?

Walk Away and
Buy Nothing

- Minimize out of stocks and ensure Need States are always in stock
- Optimize online taxonomy so shoppers can find what the want

SHOPPER SATISFACTION

New Products, **Out of Stocks,**
Enjoyable to Shop

- Minimize out of stocks
- Develop events and seasonal focus themes to highlight newness and build excitement

Source: Shopper Intelligence Survey; 12 months to Q2 2024; 6,918 Amazon Shoppers; 44,578 Total Online Shoppers;