by A. Elizabeth Sloan

Why and Where We Buy

With restaurant takeout fueling a fast-emerging trend to experimenting with new flavors, foods, and cuisines at home, it's not surprising that those who say taste has a major impact on their food product selections (86%) rose 5% in 2019, per the International Food Information Council's (IFIC) 2019 *Food & Health Survey.* Half of Millennials are extremely or very likely to try a new flavor specifically when ordering takeout or home food delivery, according to Technomic's 2019 *Flavor Consumer Trend Report.*

> *Online grocery sales, which reached $16.7 billion (or 2% of all grocery sales) in 2018,* ***are projected to grow 32% per year and top $85 billion by 2023.***

Those citing convenience as a significant influencer jumped 8% between 2017 and 2019 (to 57%), sending center-store sales up an unprecedented $4.7 billion for the year ended (Y/E) April 27, 2019, per Nielsen's 2019 *Total Consumer Trend Report.*

Shoppers are grabbing both refrigerated and shelf-stable snack kits, up 6.5% for Y/E May 19, 2019, per IRI's 2019 "Stirring the Melting Pot for Growth" webinar. Single-/dual-serving products are projected to deliver $22 billion in incremental sales over the next three years.

Just over two-thirds of consumers cited price, 62% mentioned health, and 27% environmental sustainability as very important in 2019. A good source of vitamins/minerals, all natural, farm fresh, no artificial ingredients, seasonal, and high protein were the most loved food descriptors last year, per Datassential's 2019 *New Healthy Keynote Report.* Trust in the brand and recognizing the product's ingredients now have a great impact on purchase decisions for three in 10 food shoppers, per IFIC.

Among the 91% of U.S. adults who shop for food, 37% (47% of women versus 25% of men) are the sole/primary household shopper, 33% have shared responsibility, 25% live alone, and 5% are secondary shoppers, per the Food Marketing Institute's (FMI) 2019 *U.S. Grocery Shopper Trends.*

Eight in 10 consumers shopped for food in a supermarket fairly often in 2019; 51% shopped in a supercenter; 32%, a warehouse club store; 24%, a no frills grocery store; 17%, a natural/organic store; 15%, a drugstore; 11%, an ethnic food store; and 10%, a convenience store, per FMI. Millennials are much more likely to shop for food in a natural/organic, convenience, drug, dollar, no frills, or ethnic food store versus their older counterparts.

One-quarter of consumers primarily shop for fresh foods at specialty grocers, per IRI's 2019 "Balancing the Cross-Aisle Pendulum" webinar. Fresh trips increased 35% at Whole Foods over the past two years, 19% at Aldi, 14% at Trader Joe's, and 11% at Dollar General.

While food shoppers on average visit 4.4 different stores per month, Gen Z visits 6.2; Millennials, 5.0; households with kids, 5.4; and $100,000-plus households, 5.5, per FMI.

For Y/E Sept. 8, 2019, quick trips (which account for 21% of grocery sales) increased slightly; pantry stocking (42%) correspondingly declined while special purpose (16%) and fill-in trips remained unchanged, per IRI's "Cross-Aisle" webinar.

Nielsen's 2019 *Healthcare Study* reported that only 24% of patrons are satisfied with the healthy food selection in drugstores versus 75% satisfaction in the conventional grocery channel, suggesting a missed opportunity for drugstore retailers.

Online grocery sales, which reached $16.7 billion (or 2% of all grocery sales) in 2018, are projected to grow 32% per year and top $85 billion (7% of industry sales) by 2023, per Packaged Facts' 2019 *Global Food E-commerce* report.

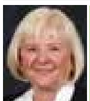
In 2019, 43% of shoppers, including 66% of Millennials with kids, bought groceries from online-only retailers (e.g., Amazon) or via online ordering options from traditional brick-and-mortar food stores; 10% of consumers shop online every two weeks or more often; 11% do so monthly; and 22% shop online occasionally, per FMI.

Store-based providers accounted for 59% of online grocery sales in 2018; online internet companies accounted for 41%, per Packaged Facts. The 2018 *Online Grocery Shopping in the U.S.* report states that of those who ordered food online in 2019, 17% picked up their order at a store or kiosk, per FMI.

Women, higher-income consumers (those who earn $100,000-plus), those under age 54, households with kids, Asian Americans, those living in urban areas, and those with higher levels of education are the most likely to buy groceries online, per Packaged Facts.

Canned/pantry foods accounted for 27% of online sales, followed by snacks (16%) and beverages (13%) in 2018, per Packaged Facts. Coffee, tea, sweets, condiments, and pet food/treats are other popular categories.

But there are some headwinds against further growth. Although Gen X (40%) and Gen Z (44%) have ordered food from online-only retailers in 2019, reach among Millennials (45%) has not grown in the past two years, suggesting that after Gen X and Z catch up, growth may be limited to increased frequency or expanded product category use versus additional shoppers, FMI reports. **FT**



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