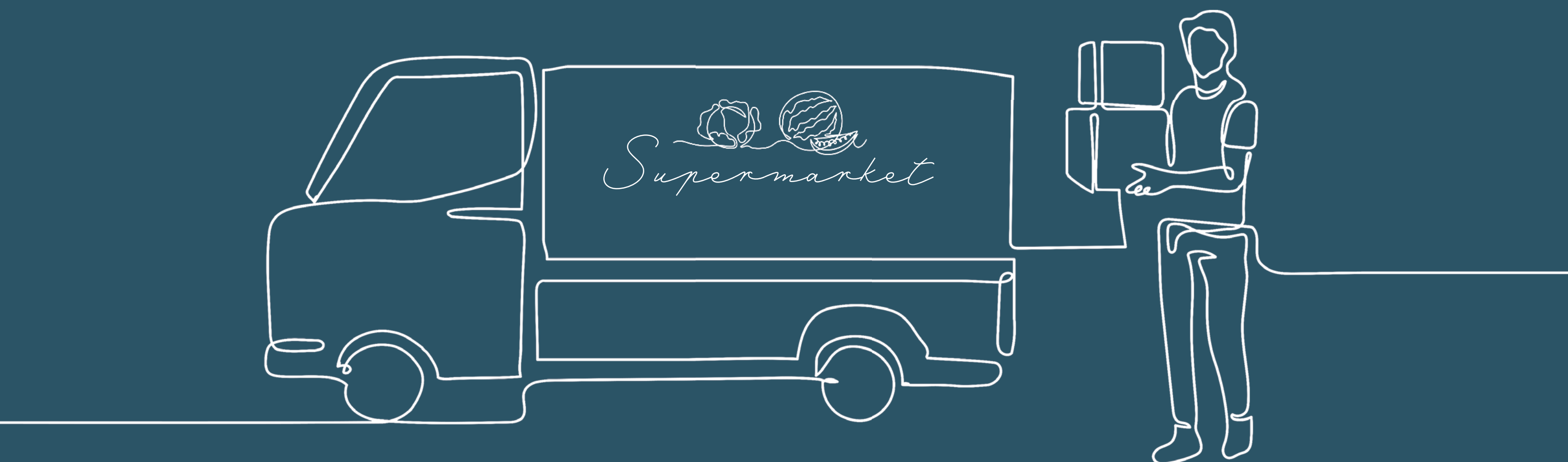
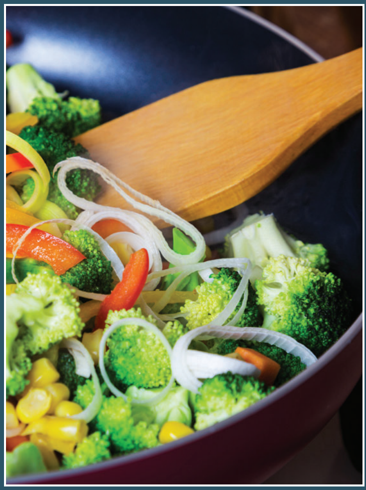
THE FOOD INDUSTRY ASSOCIATION

U.S. GROCERY SHOPPER TRENDS 2020





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As the food industry association, FMI works with and on behalf of the entire industry to advance a safer, healthier and more efficient consumer food supply chain. FMI brings together a wide range of members across the value chain — from retailers that sell to consumers, to producers that supply food and other products, as well as the wide variety of companies providing critical services — to amplify the collective work of the industry. For information regarding the FMI, visit www.FMI.org.

This report was made possible by a generous grant from the FMI Foundation. Established in 1996, the FMI Foundation seeks to ensure continued quality and efficiency in the food retailing system and is operated for charitable, educational and scientific purposes. To help support the role of food retailing, the FMI Foundation focuses on research, education and resources in the area of health and well-being, which includes food safety, nutrition and social responsibility considerations. For information regarding the FMI Foundation, visit www.fmifoundation.org.

ABOUT THE HARTMAN GROUP:
Since 1989, The Hartman Group, Inc., based in Bellevue, Washington, has been immersed in the study of American food and beverage culture, using ethnographic observation, quantitative tracking surveys and deep study of trends to understand the subtle complexities of consumer and shopper behaviors.

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7	Retail food saw eight years of spending growth in one month.
8	Online spending has doubled its share of food retail.
9	Americans are cooking again, and again and again.
10	Shifting shopper priorities will mean new trade-offs and new needs to serve.
11	**Chapter 1: Long-term Trends Meet Short-term Adjustments.**
12	Grocery shopping remains a popular American pastime, even in the age of a global pandemic.
13	COVID-19 has changed the context in which American shoppers operate, increasing their anxiety about food for their homes.
14	Long-term growth in grocery spending had continued before a sudden lift from pandemic concerns and constraints.
15	The COVID-19 pandemic initially increased otherwise stable weekly grocery shopping trips.
16	Heading into 2020, female shoppers have still led procurement for household needs, while males have sought efficiency and convenience.
17	Shopper strategies have adjusted to pandemic policies and pandemic concerns.
18	Already strong past-year growth in online has been augmented by large numbers of new, COVID-19-driven users.
19	Shoppers across generations had already been gaining familiarity with online grocery options before large numbers of shoppers chose to use online at least once during March 2020.
20	Online performs ever more strongly against brick-and-mortar.
21	Moving into fresh categories, shoppers move past a key barrier to their embrace of online grocery shopping.
22	As grocery shoppers rely on a broad set of online ordering approaches and tools, no single service model dominates.
23	Frequent online shoppers shop a broader range of channels and stores and have a higher overall grocery budget.
24	COVID-19 has expanded online shopping into new demographic groups.
25	Supermarkets have seen their dominance eroded by frequent visits to alternative grocery channels with online strength.
26	While the supermarket remains central, pandemic-conscious shopping temporarily sends shoppers towards lower-cost, smaller-formats.
27	Shoppers largely praise their store's response to COVID-19 and ask for continued hygiene efforts.
28	**Chapter 2: Cooking Well, Shopping Well**
29	Consumers deeply value eating together, even if doing so has become increasingly complex in recent years.
30	Family meals have kept their share within a declining pie of traditional meals; COVID-19 is growing that pie again.
31	Cooking well is the primary path to eating well.
32	The COVID-19 pandemic has amplified both the challenges and the pleasures of eating and cooking.
33	The challenges and desires of cooking under the pandemic have been different across households.
34	Younger consumers have moved closer to their healthy eating goals during the COVID-19 pandemic.
35	Consumers are often ambivalent about cooking.
36	Convenience and enjoyment are the strongest drivers of whether and what to cook.
37	Despite cost and perceived unhealthiness, outsourcing food prep helps consumers to maintain balance in their eating.
38	Retailers can help sustain some of the current higher volume of home cooking into the future by providing inspiration for current needs.
39	Retailers have an opportunity to strengthen their role in supporting shoppers in their cooking goals.
40	**Chapter 3: Product Selection**
41	Shoppers remain focused on quality of fresh categories, store optics and price when selecting where to spend their dollars
42	Shoppers are becoming more brand-agnostic and focused on product quality, boosting opportunities for store brands.
43	Center-aisle categories tend to be more brand-driven than perimeter offerings assessed for flavor or nutrition.
44	Shoppers have needed to compromise on their preferred brands due to COVID-19.
45	Strong store brands can signal overall breadth and quality of products, especially fresh.
46	While shoppers rely on iconic brands in the center aisles and store brands along the perimeter, transparency offers a more even playing field for brands of every stripe.
47	For younger shoppers, "eating well" comprises a broader and more complex web of priorities.
48	Shoppers continue to scrutinize products to avoid negatives and minimize processing.
49	Transparent, sustainable and community-oriented business practices are increasingly important to shoppers.
50	Long-time appreciation of food stores as health and wellness allies has been heightened during the pandemic.
51	Despite a serious public health threat, shoppers see food as safe and worry more about store hygiene and human contact.
52	Generational differences continue to shape which sources shoppers use to learn about product recalls.
53	**Appendix**
54	Food Shopping At A Glance
55	Trended Weekly Household Grocery Expenses
56	Methodology