Supermarket *Savvy*

The latest *Reveries.com* survey asked a savvy shopping crowd whether today's supermarkets are innovative. What we heard back was how shoppers want us to innovate today's shopping experience.

What do they want? Well, as one respondent succinctly said, "*I want it all*." And today, to get it all, shoppers go everywhere.

When asked, our shoppers reported that they patronize an average of three different supermarkets, making one or two trips per week. But that's not the whole story. When we dig into where they are shopping, we unearth an eclectic, channel-blurring list that includes traditional supermarkets, specialty stores, club, mass and drug.

Innovative supermarkets tap into emotional and functional desires.

What drives them? From a *functional perspective*, shoppers want:

Product selection. Provide affordable, one-stop shopping without sacrifices. This starts with providing quality produce—including both local and organic choices. It extends to value-added product options, with shoppers looking for specialty, gourmet and prepared-foods offerings.

Implications: Provide an array of quality products that meet their needs *and their wants* to build baskets. Be consistent in your product offerings and eliminate the critical out-of-stocks that drive shoppers out of your store.

Convenience. It's not all about location, location, location. It is about time: Get shoppers in, get them out—fast, with everything on their list. Provide them with helpful and happy personal service.

Implications: Improve navigation—beginning in the parking lot and continuing through the store and checkout. Create a shopper-centric store layout with intuitive assortments and adjacencies in an uncluttered environment.

Fix the broken carts. Smooth the checkout experience—if not with technology with good, old fashioned, helpful, happy, engaged employees.

Relevant Rewards. This means delivering more than price incentives in a format that is relevant to today's shoppers. It is about innovating both in terms of content and delivery. It is about informing and motivating shoppers along their paths-to-purchase.

Implications: Provide relevant, convenient rewards and tools that are customized to shoppers' needs and localized to their markets. It is about consistently reinforcing that membership in retail reward programs has privileges.

To do this, retailers need to build in additional value and convenience. To help communicate, augment outbound retail email campaigns with innovative product information, planning tools, recipes and a link to coupons. Consider extending to mobile applications.

From an *emotional perspective,* shoppers connect with retailers and brands that:

Understand them by having the right assortment, right offers and then something extra. Strive to understand the cooking-shopping-nurturing connection that drives both the function and emotion around many shopping trips. Don't underestimate shopper commitment to more sustainable and green solutions, even in a down economy.

Implications: Understand your shoppers and their preferences. Become a resource for more than merchandise, and become a partner that helps provide innovative solutions that entertain and nurture their families.

Engage them personally with communications that inform and educate—before and during the

shopping trip. Shoppers are looking for information that provides ideas and inspiration. Ask them their opinions!

Implications: Understand your shoppers' paths-to-purchase and engage them along the way. Don't undervalue the role of personal service. Create simple, relevant planning tools that integrate with how they plan today. Engage them visually in-store with attractive displays and signage—remembering that value is much more than price.

Entertain them. Take the mundane out of the shopping experience—make shopping an event. You have a live audience. Make it fun for them and for family members in tow.

Implications: Add music, demonstrations, sampling, wine tastings, product specialists and good, old-fashioned customer service to add a personal element. Introduce them to new products and invite them to explore.

Success requires solutions that drive the mutual goals of both the retailer and the manufacturer. This means listening to the shopper and delivering against multiple shopper needs.

Manufacturers need to find connecting points between their brands and the retailer. If your product benefit is about *convenience* or speed, partner with retailers to deliver convenient solutions and services. For example: This checkout or checker brought to you by *Brand X*.

If your product makes folks smile, sponsor an employee recognition program that delivers improved customer service that *engages* shoppers and improves *convenience.* If your brand *entertains*, find a way to bring that into store in a way that builds on both the brand and retail platform.

Listen to the voice of the shopper and understand the impact of changing shopper behavior. Irrespective of any shortcomings, 70 percent of our survey respondents say they like shopping and discovering new things.

So, create events that encourage shoppers to go on a "treasure hunt." Purposefully drive consumers throughout the store to fulfill their missions to discover something new—it both *engages and entertains.*

Shoppers are pre-planning as never before, but according to this survey 60 percent of them are not using retail circulars and 74 percent are not leveraging retail websites.

Engage consumers where they plan by integrating into relevant online activities like popular cooking (*Epicurious*, *Food Network*) and couponing sites to build on planning behavior.

Truly *Super* Markets

In survey respondents' own words, here's what makes *supermarkets* super:

Whole Foods: Product Selection; Convenience (Store Layout and Service); Engagement (Communications and Causes).

Trader Joes: Product Selection; Convenience (Checkout and Service); Entertainment (Sampling and Surprises).

Wegmans: Shopping Experience; Product Selection; Convenience (Layout and Signage); Engagement (Communications, Causes, Recipes and Service); Entertainment (Sampling).

Tesco Fresh & Easy: Product Selection; Convenience (Checkout Options and Layout); Engagement (Social Media).

Build programs to deliver against shoppers' multiple needs. For example, when we create programs that inform and educate (*e.g.,* recipes, meal plans, activities, in home entertaining tips, healthy living guides, etc.) We show that we *understand* that our shoppers are looking for ideas and solutions.

When these ideas include complimentary (and potentially private-label) products, we are building baskets in a way that leverages the retailer's *product selection.* When we overlay incentives in a tips booklet, or through shopper targeting, we are providing *relevant rewards*.

By collaborating with retailers to develop in store "solution centers" with attractive fixtures and informative signage, we maximize *convenience* while *engaging shoppers*. Add an educated, animated demonstrator, and we *entertain* the shopper, as well. When we bring these elements together, we are on the road to true *super* marketing. ■

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The New

What makes a supermarket innovative? Where would shoppers most like to see innovation? Which supermarkets are most innovative?

Conventional wisdom has it that many—if not most—supermarkets haven't changed much for about 50 years. True, there's more in the way of prepared meals. And the number of products offered has grown. Store brands may have improved in quality, too.

But has the basic construct of aisles of ingredients really budged all that much? We put this question to *Reveries.com* readers and the answer came back somewhere down the middle: A majority of 55 percent said the supermarket they shop most frequently is only "somewhat" innovative.

As one respondent put it: *"It seems grocery retailers perceive innovation as being creative with inventory and don't give enough consideration to environment and space."*

The only area a majority deemed innovative was "product selection" (54 percent), followed by "prepared foods" (47 percent) and "private labels" (39 percent).

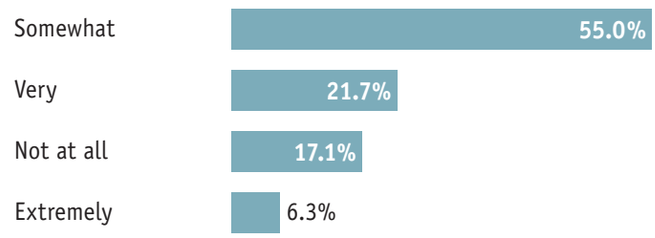
However, in nine out of ten areas, survey respondents suggested they would like to see more in the way of innovation: product selection; format/store layout; checkout; customer service; promotions; new services; online tools; and displays. The only area shoppers indicated they are satisfied is "private labels."

Online shopping tools appear to be especially ripe for innovation, as an overwhelming majority of respondents (74 percent) said they do not use retailer websites. An even larger majority of 80 percent said they do not use "any other online planning tools for grocery shopping."

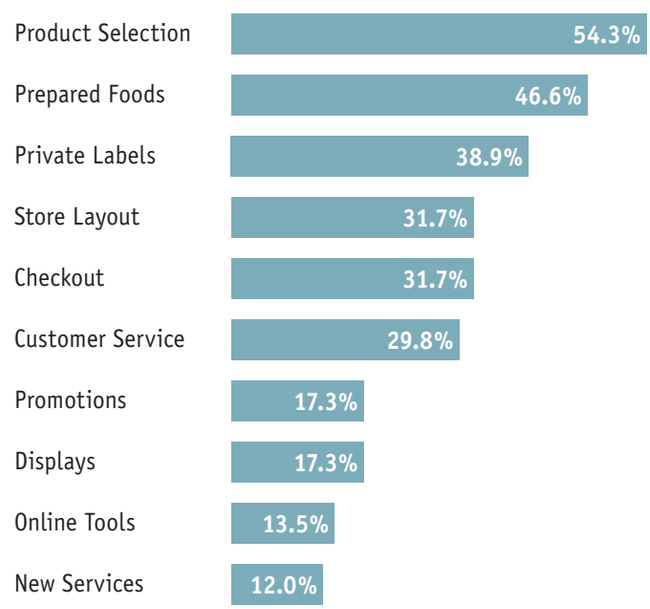
Some remarked that they weren't aware that such tools exist, while others confirmed that this may well be the case: *"I wish I could get ads via my phone and use mobile coupons. I would also love to be able to upload coupons to my loyalty card and not have to deal with paper coupons."*

Frustrations were many, with crowded stores and slow checkouts being the most frequently cited complaints. Others aimed their ire at stores that rearrange aisles for no apparent reason: *"Shuffling where categories are found,*

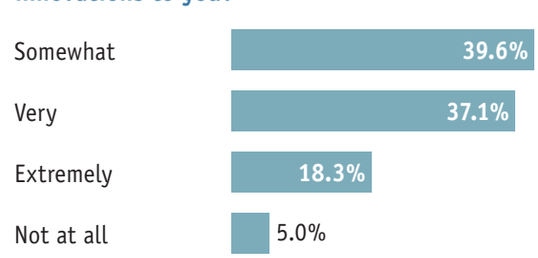
How innovative is the supermarket you shop most often?



In which ways is your supermarket innovative? (pick as many as apply)

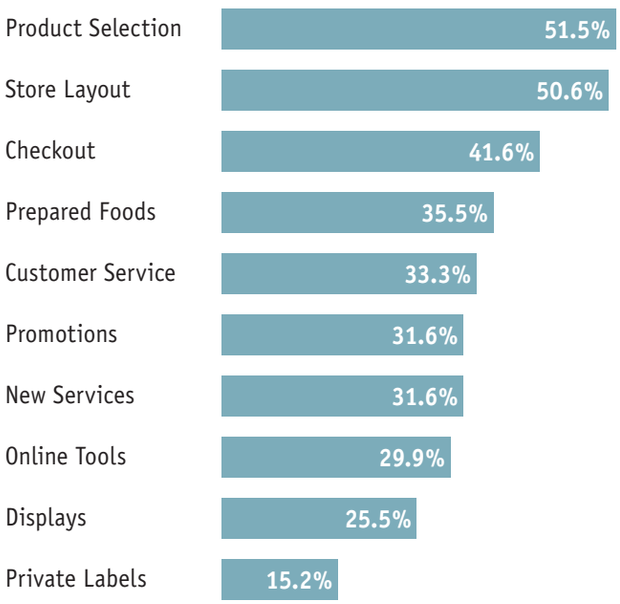


How important is a supermarket's prices versus its innovations to you?

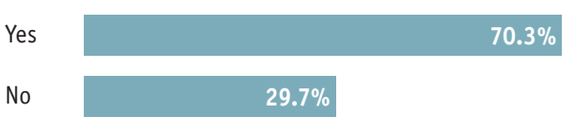


Super

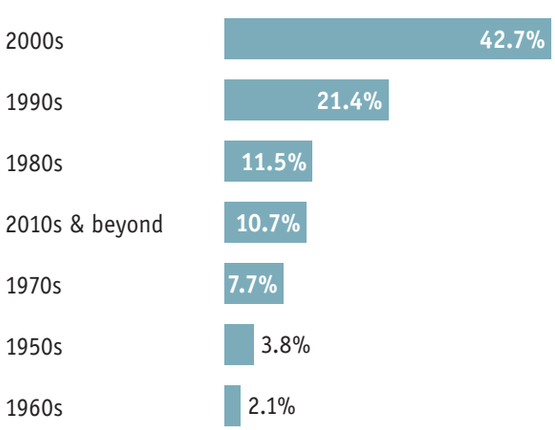
Where would you most like to see innovation at your supermarket? (pick as many as apply)



In general, do you enjoy grocery shopping?



Overall, which era does the supermarket at which you usually shop most resemble?



sometimes just from the right to the left are annoyances, not innovations."

Self-checkouts also received mixed reviews. Some said they liked the convenience while others said they only benefit retailers. One respondent had a similar complaint about store formats: *"I'm tired of grocery stores being laid out to help the grocer and the vendors."*

Overall, there was no shortage of suggestions on where supermarkets could improve in ways both big and small:

"Why can't grocery bakeries make good, healthful, preservative-free breads?"

"This business of forcing me up and down aisles and across the store to find the things I need is tiresome and makes me tired and angry."

"I wish I didn't have to go to three different stores in order to supply our home."

"So many carts with wheels that don't work right!"

Despite such grievances, a perhaps surprisingly large majority of 70 percent said they generally enjoy grocery shopping, especially discovering new items. And even though most do not consider their supermarkets to be innovative, a plurality of 43 percent felt their grocers were up-to-date.

But as one respondent observed, the innovations of the future may well be rooted in the past: *"I shop at a small, family-owned supermarket that prides itself on personal service. Its innovation is old-fashioned customer service."*

Another hinted that maybe it isn't up to supermarkets to be innovative at all: *"Since I purchase groceries from three stores and one farmer's market each month, maybe I'm the innovator."*

And this comment may provide the greatest insight of all: *"Here's the deal, when money is in short supply and entertainment dollars are small or non-existent, grocery shopping becomes entertainment… When money is flowing and we can eat out more often and I'm cooking less, then grocery shopping goes back to being a chore."*

The supermarket picked at the number-one most innovative? Whole Foods, followed by Trader Joe's and Wegmans. Curiously, nowhere near as many respondents selected these same stores as the supermarkets they shop most frequently. ■

Complete survey results can be found at: www.*hubmagazine.com/survey/supermarkets*