New Report Builds the Business Case for Digital Connections with Grocery Shoppers

“Food retailers have to think differently about how they communicate with customers now that newspaper circulation is shrinking, mass media is less effective and efficient, and digital connections have become a permanent part of shoppers lives,” says Bill Bishop, Chief Architect of Brick Meets Click.

BMC’s 2013 grocery report, Six Degrees of Digital Connection: Growing Grocery Sales in an Omnichannel World combines analysis of more than 22,000 grocery shopper surveys with decades of experience in food retailing. The report’s three sections examine the business case for investing in digital connections with shoppers, the connections themselves, and the future of online grocery.

“Connections and Consequences” looks at whether building digital connections with shoppers increases shopper engagement and spending in the store. “The evidence suggests a strong positive impact,” Bishop said. The more digital connections a customer had with their grocer,

- the more likely they were to be one of the grocer’s primary shoppers
- the higher the level of satisfaction they reported for their in-store experience.

“Six Degrees of Digital Connections” examines how shoppers are using email, websites, texting, social networks, mobile apps, and online grocery shopping. It establishes benchmarks for each connection, and identifies what the top performers did to make their connection so successful. Among the findings:
• The printed circular is used regularly by 70% of shoppers, but 37% regularly look at the digital circular.
• 74% of shoppers received email from their food retailer. The best performing banner reached 92% while the lowest performer reached only 33% of their shoppers.
• 27% of shoppers have "liked" their grocer’s Facebook page.
• 79% of shoppers found the text messages from their food retailer relevant to them.

“Futureshock” looks at how the future of online grocery may unfold. Among the findings:

• Of shoppers who bought groceries online in the last 30 days, 41% bought online just once, 23% bought online twice, and 36% bought online three or more times.
• Share of spending increased with frequency of purchase: Customers buying just once did 17% of their grocery spending online, while those buying three or more times online did 42% of their grocery spending there.

“The results show that when shoppers regularly go online for groceries, there’s a good chance that 40% to 45% of their grocery spending will move online,” said Bishop. “We’re seeing more shoppers in many markets try the online option. As soon as that happens, brick and mortar retailers need to offer an online option or watch a big chunk of their business move out of reach.”

Brick Meets Click forecasts that in 10 years, 10% to 17% of all grocery spending could move online, based on market-specific scenarios developed from the study findings.

“To our knowledge, this is the largest survey of grocery shoppers’ experience with digital connections to date,” said Steve Bishop, Managing Director of Brick Meets Click. More than 22,000 shoppers from six US-based retail banners across the country participated in the study.

To learn more about BMC’s 2013 grocery report visit http://www.brickmeetsclick.com/six-degrees-of-digital-connections. For information about purchasing the report, contact Steve Bishop at steve.bishop@brickmeetsclick.com.

NOTE: jpg attached

About Brick Meets Click
Brick Meets Click is a strategic resource for retailers, suppliers, and technology providers who want to make insightful decisions about meeting shopper needs in the digital age. We also host the web’s most independent online forum on the future of shopping at www.brickmeetsclick.com.