

Convenience Store Decisions

What's in Store 2014 Reports On State of the Industry

Digital platforms and personalized promotions are encouraging the "de-averaging" trend.

What's in Store 2014, the latest edition of the annual trends publication of the International Dairy-Deli-Bakery Association (IDDBA), is an essential dairy-deli-bakery-cheese resource providing vital data on the growth, trends, and category changes shaping the food industry. What's in Store 2014 is composed of six comprehensive chapters: State of the Industry, Consumer Lifestyles, Bakery, Cheese, Dairy and Deli.

What's In Store Highlights

Digital platforms will be used more to market and build relationships with shoppers, according to What's in Store 2014.

Personalization of promotions and offers will grow into a trend of "de-averaging," or moving away from the trend of stocking shelves with the same products. De-averaging has the potential to increase sales by offering only the known products and services that consumers want. Brand manufacturers are also looking for ways to differentiate their products.

Seventy-three percent of consumers say they will pay the same prices online as they do in-store. Online shopping is still a growing trend, with consumers showing a preference for showrooming and webrooming — checking prices online before going to the store. Eighty-eight percent of consumers said they will continue to use their smartphones for in-store shopping.

Retailers will also capitalize on mobile devices and social media strategies. Geo-fencing, which automatically sends targeted offers to consumers who enter a store, is a new way for retailers to engage in-store consumers. Consumers engage in social media more than ever, and the era of pricing transparency is here. Retailers are using mobile apps for in-store service, and providing store brands that allow for customer savings.

According to Sharon Olson, executive director, Culinary Visions Panel, younger consumers buy food from the standpoints of ethics, sustainability, simplicity, activism and transparency. Ethical foods carry a social justice aspect that ensures proper treatment of the producers and animals involved via ethical certifications. Sustainability is worth paying a premium, despite the tough economy. Simple foods with few ingredients, grown locally and hyperlocally (on site) as well as prepared foods that tell the story of the foods' relationships to the consumer, are all important to Gen Y, Olson explained. Food activism, including an ongoing international push against food waste, is another area of importance to younger consumers. Olson reported that Millennials seek out transparency.

Keith Anderson, vice president and senior analyst, RetailNet Group, said retailers are implementing social media to extend the capabilities of their brick-and-mortar businesses. Social media, though not likely a portal to purchase food online, is helping shoppers gain access to apps to compile shopping lists and plan meals. Marketing and promotions are available in the same format, Anderson said. The mobile and digital food shopping experience is connecting shoppers with information that adds to transparency as many shoppers, particularly younger ones, want more information on where food originates and nutritional content.

Promotions that traditionally communicated to consumers through inserts, as well as coupons, are moving to a digital format, which allows for personalization and ad targeting, Anderson said.