

# A Grocer's Guide to Boosting Business

## Top 5 Trends, Insights & Actions



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# A Grocer's Guide to Boosting Business

In the span of just a few years, the formerly straightforward task of grocery shopping has undergone a monumental transformation. During the pandemic, so many people embraced the ease and simplicity of online grocery ordering and delivery, that it's become the new norm for numerous households.

As you have tried to adapt to this major shift in shopping behavior, you've likely been unsure about how your grocery store can continue to thrive in this new e-commerce environment. This guide — based on exclusive market research — was created to help you identify modern and innovative ways to boost your store's profitability.

## GET INSIGHTS INTO:

- Trends impacting grocers
- What those trends mean for your grocery business
- How to leverage insights into action
- What you can expect as a result



TREND

# 01 Shifting Generational Shopping Preferences

KEY INSIGHT

While older generations like boomers and Gen X still favor in-store shopping, millennials and Gen Z now strongly prefer to get their groceries via delivery or curbside pick-up. **As the largest generational group** in the global workforce since 2019, millennials' grocery habits could be a key indicator of a permanent shift in how consumers will prefer to do their grocery shopping in the future.

## Millennials & Gen X

are choosing online ordering for some or all of their groceries.



Online grocery delivery and curbside pickup will continue to expand as millennials and Gen Z drive growth, leading to increased demand for innovative cooling technology.



ACTIONS YOU CAN TAKE

To meet the e-commerce expectations of this newer generation of shoppers, you can:



Optimize your space to accommodate more pickup and delivery orders.



Advertise specifically to younger audiences about grocery pickup and delivery.



Offer digital store coupons on platforms that target younger shoppers.

POTENTIAL RESULTS

By aligning your strategies with the generational preferences of your shoppers, your store will be able to attract a broader customer base — both now and for years to come.

Incorporating a more modern, e-commerce-based approach can help you create higher levels of customer retention, increased sales and stronger brand loyalty.



TREND

# 02 Parents Have the (Pickup) Power

KEY INSIGHT

It's probably no surprise that the most frequent users of grocery delivery and curbside pickup are parents. If you are able to provide a seamless curbside experience for this audience, you will also be impressing their children. As these children grow, they will be more likely to keep returning to your store for the exceptional shopping experience they have now come to expect.

ACTIONS YOU CAN TAKE



To meet the grocery needs of parents, both today and tomorrow, you can:

Create an efficient workflow for faster e-commerce orders, with in-store innovations like space-saving carts and racks to pick and transport groceries to your staging area.

Help busy parents plan their e-shopping "trip" - with interactive digital circulars that alert shoppers to weekly specials.

Update your cold chain fulfillment technology with products like refrigerated and frozen totes for a safer, better curbside pickup experience.



Streamline picking, staging and curbside delivery.

POTENTIAL RESULTS

By catering to the unique needs of parents, your grocery store can build strong relationships with this valuable customer segment. Providing convenient online shopping options can lead to long-term customer loyalty, increased sales and positive word-of-mouth recommendations among parent communities.

TREND

# 03 Freshness and Quality are Essential

KEY INSIGHT

For customers who use e-commerce grocery services, food freshness and quality issues can make or break whether they stay loyal to a store. A recent survey states that 61% of consumers who use online grocery delivery and curbside pick-up are fed up with expired items and spoiled produce.

In fact, 70% of consumers<sup>1</sup> say they would order more fresh or frozen food with their grocery delivery if they knew the items would arrive still fresh and/or frozen, showing there is much room for improvement for today's grocers, who need more options like cold boxes for staging and more advanced and flexible cold storage units. Nearly 90% of grocery retailers say that keeping curbside pick-up food fresh and/or frozen while waiting for customer pickup is a top concern.

<sup>1</sup> 2022 Holiday Survey Report, Phononic & Regina Corso Consulting

# 61%

of online grocery shoppers are fed up with expired items and spoiled produce.



7/10 consumers would order more fresh/frozen food if they felt confident that these foods would arrive still fresh/ frozen.



### ACTIONS YOU CAN TAKE

## To maintain in the integrity of your fresh and frozen items during fulfillment, you can:

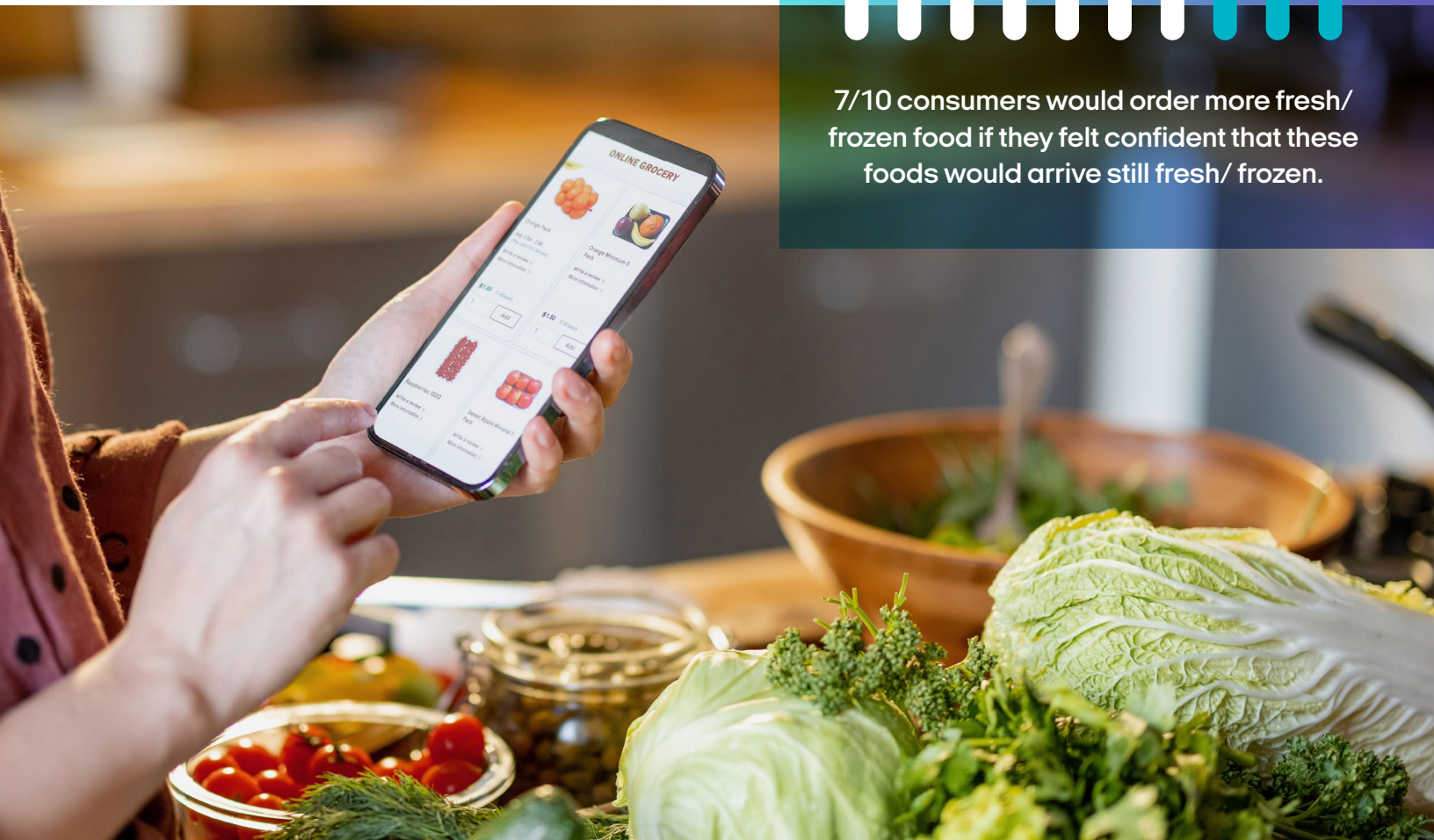
Streamline the picking process for cold and frozen items with mobile, cooled totes that allow you to fulfill orders without needing to return to the back room over concerns about product quality.

Utilize technologically advanced carts to transport multiple cooled totes at one time – and deliver your fresh and frozen items to your staging area safely and efficiently.

Outfit your staging area with efficient, automated racks that easily hold your cooled totes while waiting for grocery pickup or delivery – and leverage your existing space without needing to add square footage.

### POTENTIAL RESULTS

Investing in advanced cold chain fulfillment systems to maintain product freshness and quality can help you significantly improve customer satisfaction and reduce product waste. By providing customers with confidence in the quality their delivered groceries, they'll be more loyal to your store – and will drive higher demand for online grocery shopping and increased sales. What's more, by incorporating modern cooling innovations like solid state technology, you'll also benefit from increased energy savings.



TREND

# 04 Cost is a Major Consideration

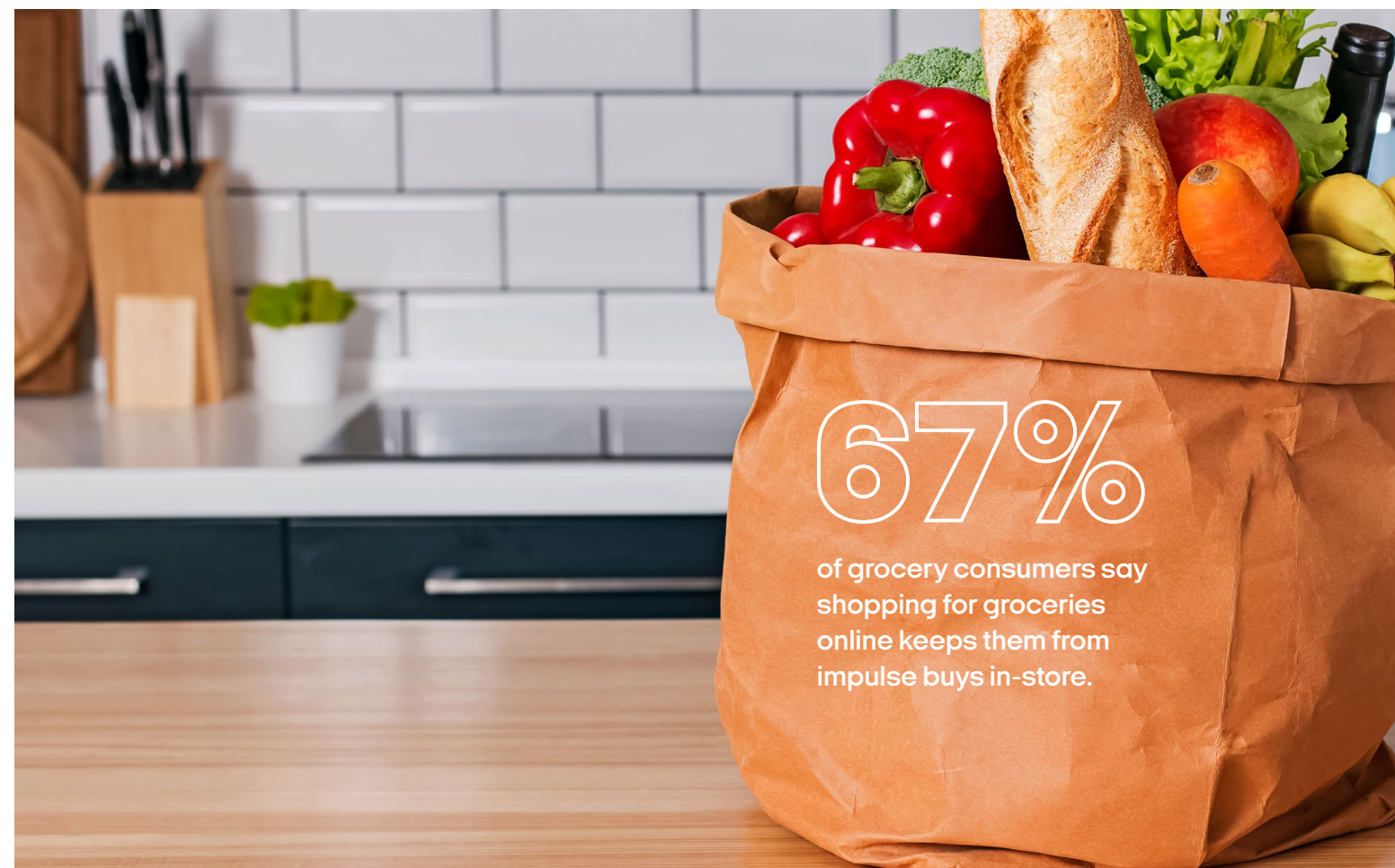
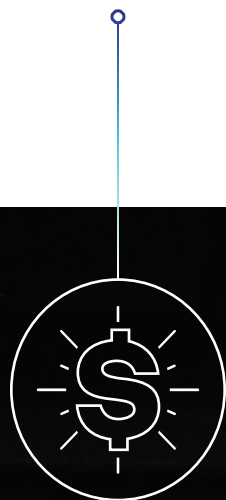
KEY INSIGHT

A recent finding cites that 68%<sup>2</sup> of grocery consumers say they would use delivery more often if it was more affordable.

**Bottom line:** if you aren't offering reasonably priced curbside pickup and delivery options, you could be losing business to competitors that are.

# 68%

of grocery consumers say they would use delivery more often if it was more affordable.



# 67%

of grocery consumers say shopping for groceries online keeps them from impulse buys in-store.

### ACTIONS YOU CAN TAKE

Outsourcing your e-commerce platform to a third party (i.e., Shopify) can help streamline your online orders and save money on development and site maintenance.



Incentivize your customers to choose curbside pickup for online orders more often, which can be less costly to provide than delivery.



For delivery customers, ensure that you have the necessary technology needed to transport fresh and frozen items as quickly and efficiently as possible.



### POTENTIAL RESULTS

By addressing your store's cost concerns related to e-commerce order fulfillment, you may be able to pass some of those savings on to customers - which will attract your more price-conscious shoppers. Price competitiveness can lead to higher customer retention, increased order volumes and improved customer satisfaction over the long haul.

TREND

# 05 Sustainability Matters

KEY INSIGHT

70% of consumers now say they consider how grocery practices like delivery may negatively affect energy sustainability. In order to align with customers' changing views around wanting more sustainability, retailers must think about adjusting their operations to become more sustainable.



**ACTIONS YOU CAN TAKE**

Incorporate more sustainable refrigeration systems for your frozen and fresh food that don't use Hydrofluorocarbons (HFCs).

Reduce the frequency of your store's delivery orders, to help cut back on car emissions.

Explore the use of actively cooled totes (using solid-state, clean technology) to pick and store your online orders inside the store.



**POTENTIAL RESULTS**

By meeting consumer expectations for sustainability, your store can enhance customer trust and loyalty.

Environmentally conscious shoppers will be more likely to choose your store over competitors, leading to increased sales and market share.

Happy customers are more likely to generate positive online reviews and recommendations, attracting new customers and further strengthening your store's reputation.

NEARLY



of retailers say they need to develop better sustainability initiatives beyond packaging.

of consumers say they consider how grocery practices like delivery may negatively affect sustainability

# A path to sustainability is possible, with new cold chain technologies

# Growing your Business with Innovative Technology

## Phononic: Solid State Cooling to Support Modern Grocery e-Commerce

### KEY INSIGHT

Phononic's solid state cooling technology offers many cost-saving, flexible and sustainable alternatives to traditional cooling methods that can help you meet these grocery trends head on – and boost your business in the process.

### ACTIONS YOU CAN TAKE



Sign up for a demo of Phononic's solid state cooling technology.



Download our grocery retail study that outlines the retail environment and explores what modern consumers are looking for in a grocery retailer.



Learn more about [Phononic's cold chain fulfillment solutions](#) for grocery retailers.



### Keeping it Fresh and Frozen with Solid State Cooling Technology

Phononic's Intelligent, Actively-Cooled Freezer and Refrigerator Totes provide the perfect temperature to maintain frozen and refrigerated orders for grocery retail's curbside operations, transport and delivery, as well as micro-fulfillment centers [MFCs].



Phononic's solid state solution uses only CO<sub>2</sub> and water, eliminating toxic refrigerants to deliver a Global Warming Potential of one or less.

### POTENTIAL RESULTS

By embracing Phononic's customer-focused, sustainable and cost-effective solutions, your grocery store can stay ahead of market trends, gain a true competitive edge and establish itself as a leader in the fast-moving grocery retail market.

To learn more about how Phononic's solid-state cooling technology can help empower your grocery retail business, transform your operations and pave the way to a more profitable, cleaner future, sign up for a demo.



**About Phononic:** As the global leader in solid state cooling technology, Phononic is driving the world to a more sustainable way to cool. Its transformational technology reduces greenhouse gas (GhG) emissions and supports climate goals, while meeting the demanding performance needs of the market. The company's thermoelectric devices and integrated products are mission critical to how people work and communicate; automobiles 'see'; the protection and effective delivery of life-saving vaccines and drugs; last mile solutions supporting e-commerce; and innovative methods to cool living and workspaces.

Learn more at: [www.phononic.com](http://www.phononic.com)

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