

Clicking up Industry's future is in customized experiences

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The person in the grocery store checkout lane next to you might not be your neighbor any longer, industry experts say. They might be a professional shopper or even an internet entrepreneur. As grocery stores have been taking advantage of technology, shopping experiences have been streamlined to the benefit of a shopper's time spent in a store.

At checkout lanes, nearly every item is run through electronic scanners, whether in front of a clerk or at a self-checkout lane. Apps and websites tied directly to the stores offer coupons that can be printed or displayed on screen. And the most recent move is to remove the customer from the store entirely, with grocery delivery services.

In August, Lansing-area Michigan Meijer stores started offering Shipt: a service where customers create a grocery list on its app, then shoppers dressed in green Shipt t-shirts buy what's on the list and deliver it right to the customer's doorstep. Shipt has already been in Michigan for more than a year, starting with the Detroit area in 2016 and expanding to Meijer's hometown, Grand Rapids, in March 2017.

Shipt delivers almost everything found in the store, except for tobacco and prescription medication. The service costs \$99 a year and comes with no additional charges for delivery on orders over \$35. Other grocers offer similar programs at about the same costs. West Michigan grocery chain SpartanNash, owner of groceries such as Family Fare and D&W Fresh Market, offers fast-lane service in about two dozen stores; more will be added in 2018.

The big names in the industry are following the home delivery trend too, including Wal-Mart Stores Inc., which is testing a service in California like Shipt called Deliv. The company is taking home deliveries further in a recently announced team-up with the smart-locks company August Home, where delivery drivers can unlock a customer's door and put the food in the refrigerator. The August Home app includes a camera so the customer can watch as the delivery driver puts the food away.

In a press release, Walmart calls it the chance to "help us shape what commerce will look like in the future."

AmazonFresh, however, has scaled back to several big cities mostly on the east and west coast, and it is not available in Michigan. Amazon announced the reduction in October, shortly after it purchased the Whole Foods Market grocery chain. There are seven Whole Foods Markets in Michigan, including one in East Lansing.

As Amazon's response shows, customers aren't as quick to respond to the online shopping movement as stores might like. A 2017 report by retail research company Field Agent found people are more likely to buy non-perishable items online; toothpaste was named by 74 percent of people in the Field Agent study, feminine hygiene products were named by 72 percent and over-the-counter medicine was at 70 percent. Customers aren't all that interested in buying food they can't self-inspect — only 25 percent would buy milk or bananas online. Last place in the study went to chicken breasts, which only 22 percent of people would purchase on the internet.

The study also reported that only about 46 percent of people buy groceries online now, although 71 percent expect to increase their amount of electronic shopping by 2022.

Local Appeal

The Food Marketing Institute finds the fast pace of the average person's day is prompting another movement in stores: the "grocerant," or restaurant-style eating inside the grocery store. In a 2017 report, the Institute reports 73 percent of households with children buy "ready-to-eat" foods made in a store, like sushi or rotisserie chicken because they're too busy to prepare a meal. Fifty-one percent of households without children do the same.

Local stores aren't turning away from technology, but they are emphasizing things a neighborhood grocer can offer that Walmart or Meijer cannot.

"We're not going to beat Amazon on toilet paper, and I don't really want to," said Autumn Horrocks, one of the four partners in the Horrocks stores that bear her family's name. "We offer things that lead to a high-level of joy and try to separate ourselves by offering (an experience) you can't get online."

That includes free cups of coffee to every shopper, made from beans roasted on-site. Recently, the Lansing store started offering popcorn popped in the store, and it features nearly 50 beers in the "tavern," along with a wine-tasting area.

While Horrocks emphasized that though the store remains up-to-date — it has a Facebook page, and their popcorns and coffees can be ordered online, for example — there's not a lot of need for advertising, whether online or in person.

More Health Information

Stores are also responding to customers' interests in different kinds of food; from the autumnal pumpkin spice flavors of everything from coffee to Twinkies, to the consistent call for local produce grown or raised within a certain distance from the store. Meijer considers it the "upper Midwest," stretching from Michigan down to Kentucky. Some of the chain's corn comes from a farm in the Byron Center and potatoes from Wisconsin.

The Food Marketing Institute finds 44 percent of shoppers want to see more information about ethical processes in their food, like fair trade production and humanely raised meat.

The Future Market, a New York City-based research company, presented their Produce Pro concept at a food industry convention this past July, which is something of an in-store help desk: At the push of a button, a dietitian or other food expert appears on a screen, ready to answer questions about the products for sale next to the shopper.

The goal for grocery stores of any size is to offer variety to shoppers. The Future Market's creator, Mike Lee, said "The marketplace of the future is about delivering food to consumers on their terms."

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