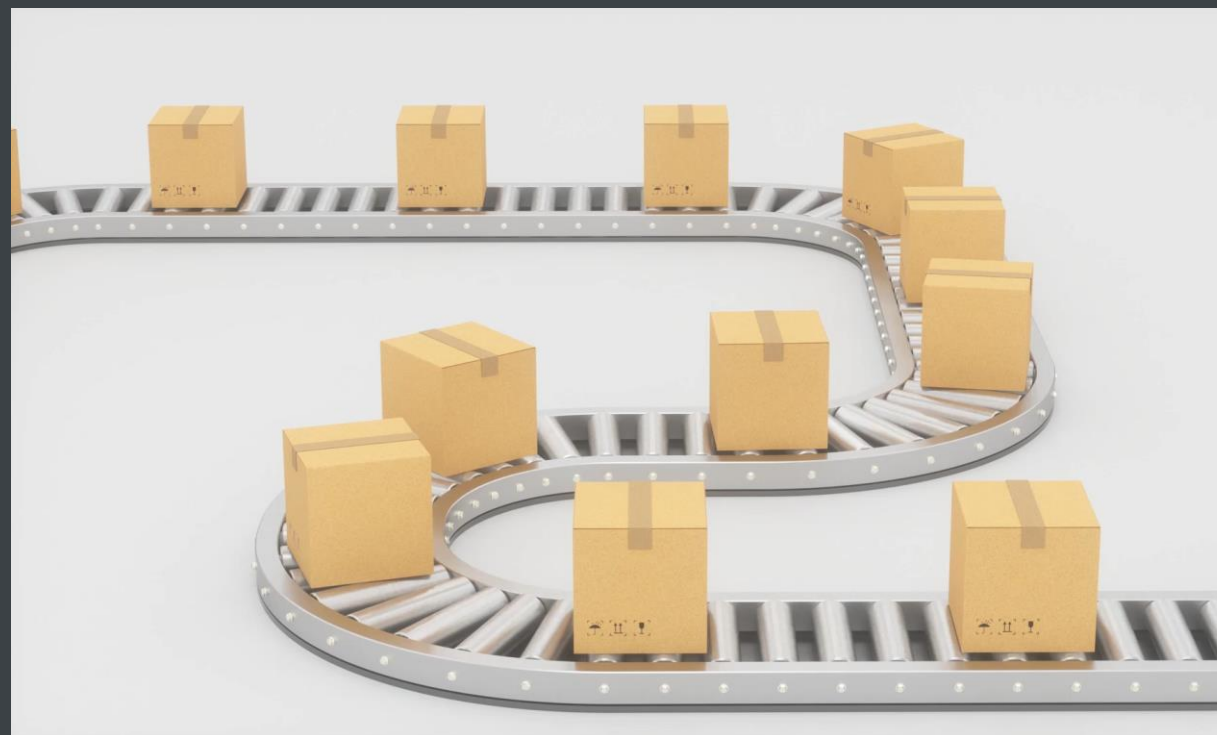


Uncovering friction in e-Grocery

Experience as a growth
driver

25 November 2021

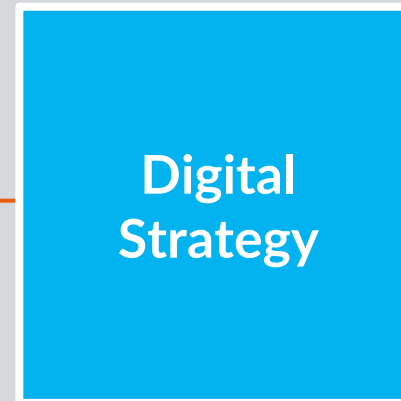




Lenneke Schils
Global Insights Director



Danny Groenenboom
Strategy Director Europe



#BehaviorChange: e-Grocery



  The e-Grocery landscape

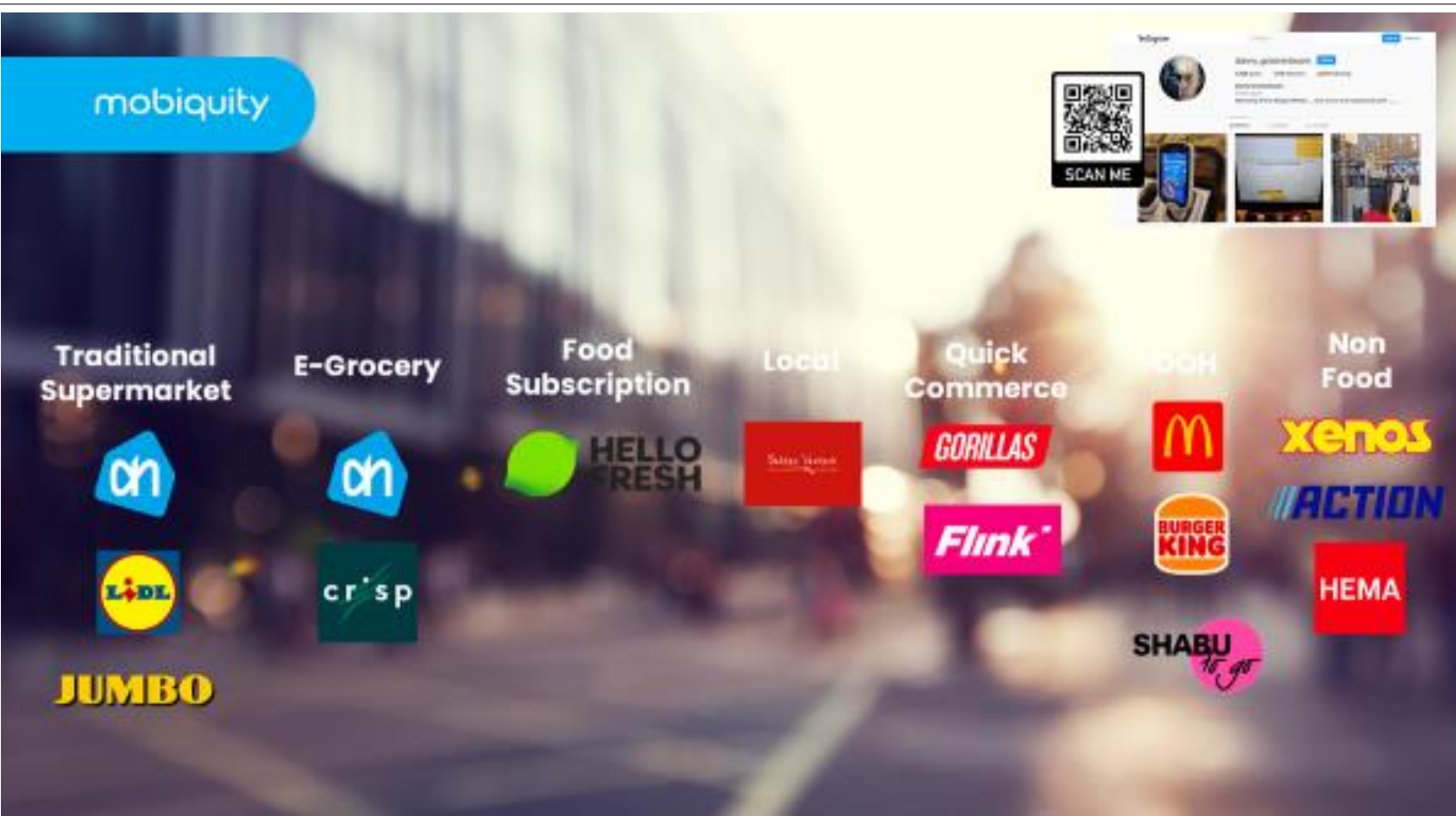


Lenneke's
grocery
purchase in
the past
month



#BehaviorChange: e-Grocery

The e-Grocery landscape









Danny's food purchase in the past month

POLL

How much of your own food purchase happens online?

- a. none
- b. 0-25%
- c. 25-50%
- d. >50%

PART 1: STRATEGIC INSIGHTS

-   The e-Grocery landscape
-  Non-buyer barriers
-  Channel choices now & next
-  Categories & occasions now & next
-  Satisfaction drivers @ main online retailer



PART 2: DIGITAL STRATEGY

Structure your way from idea to innovation

Inspiration for innovation based on GfK insights

Tricks & tricks to start tomorrow

The e-Grocery landscape

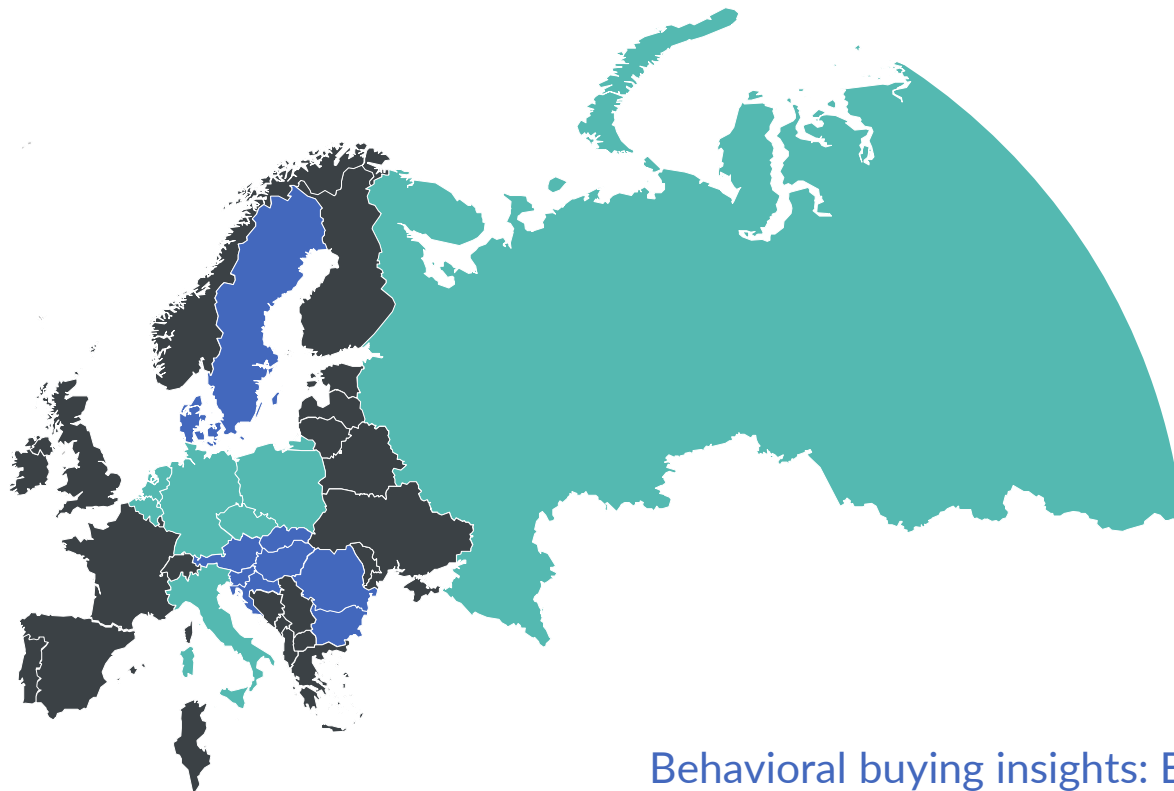


#BehaviorChange: e-Grocery

Countries covered



  The e-Grocery landscape



Behavioral buying insights: EU-15
Satisfaction drivers & barriers: EU-8 n=7547

At GfK, we capture and assimilate behavioral data continuously. Be it the scanned FMCG household purchases via our Consumer Panel or the underlying motivations, needs and wants.

>180 million households

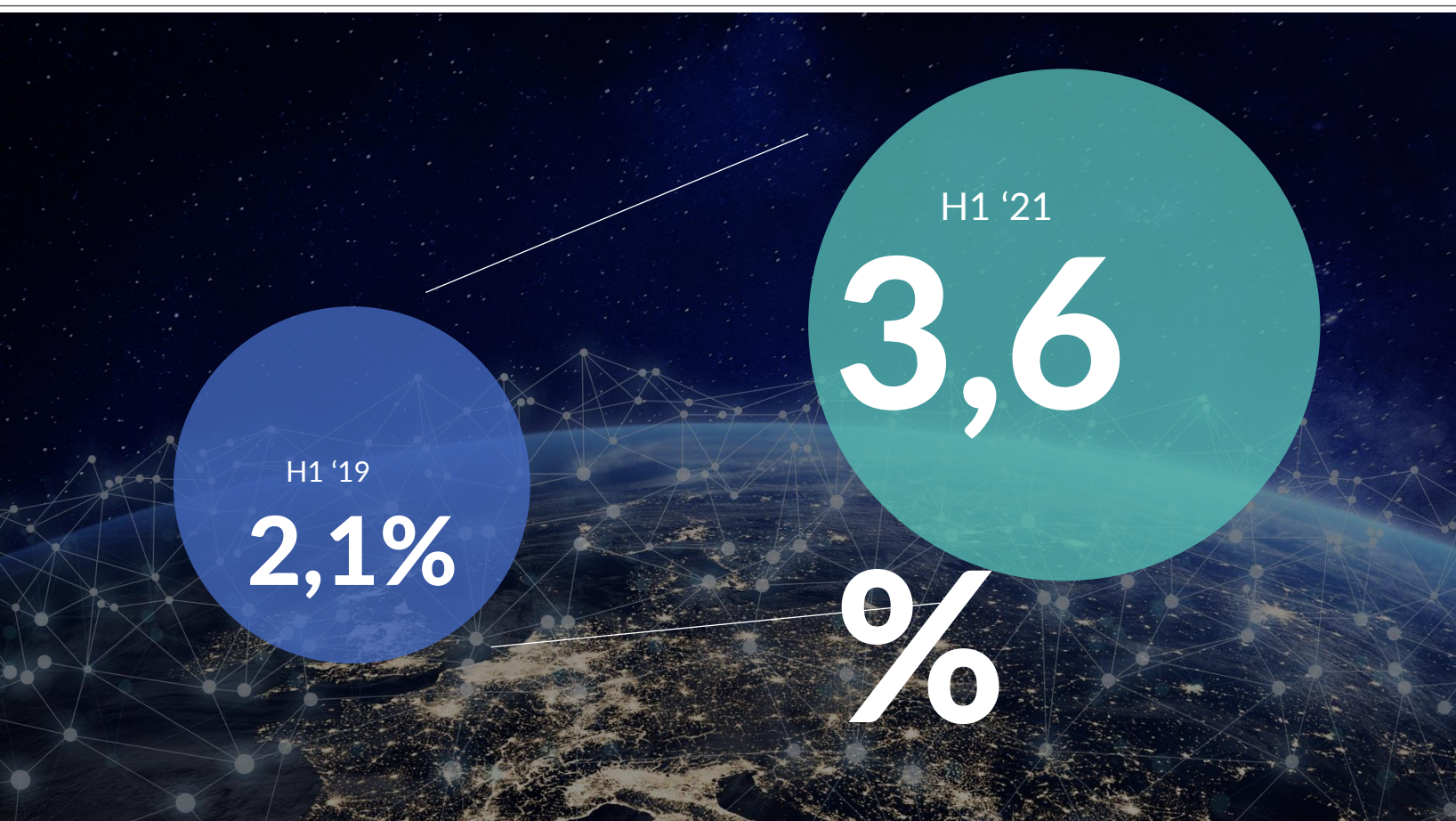
EU-15 AT BE BG CZ DE DK HR HU IT NL PL RO RU SE SK

EU-8 AT BE CZ DE IT NL PL RU

The e-Grocery landscape

The e-grocery landscape is exponentially expanding



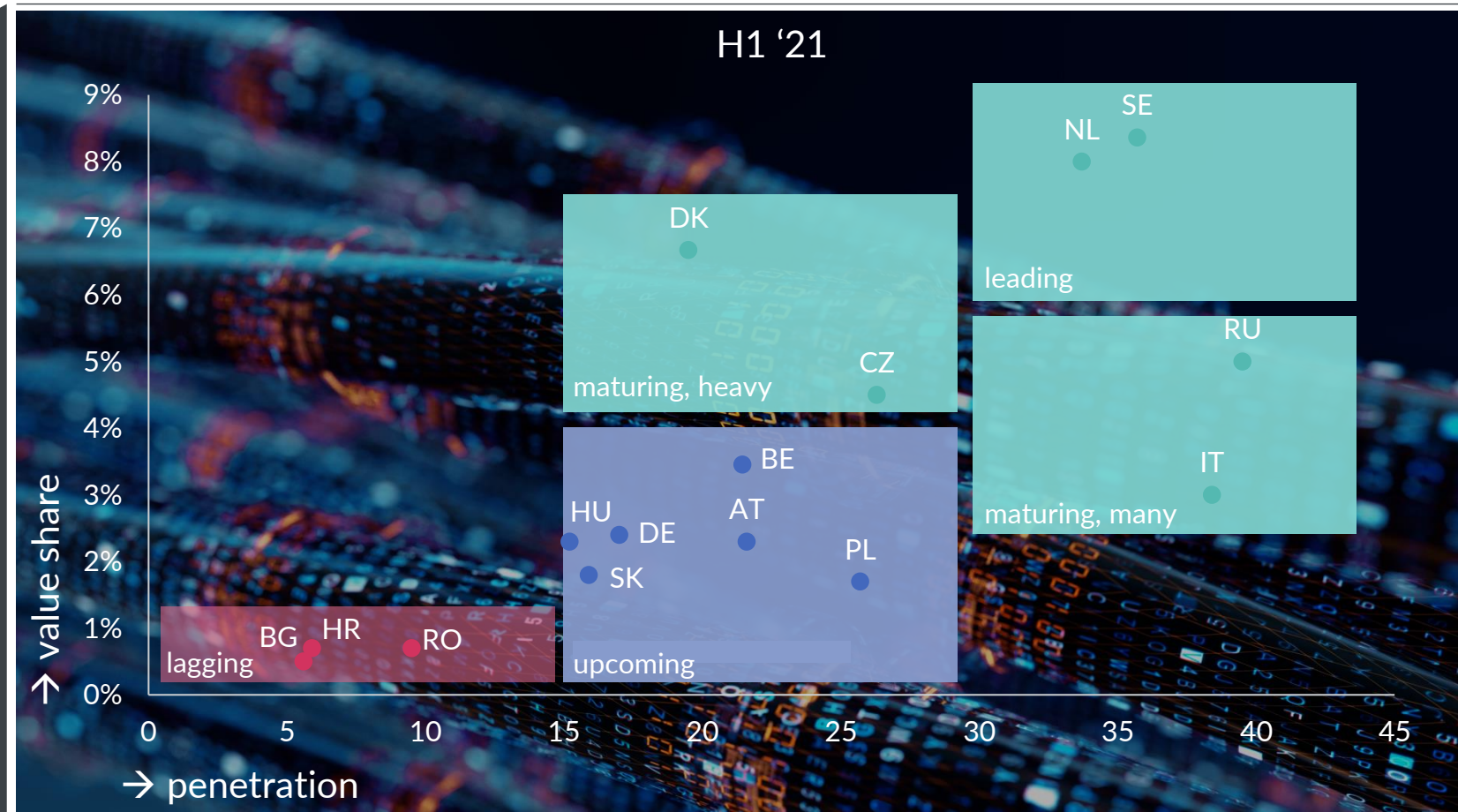
  The e-Grocery landscape

E-grocery value share nearly doubled in 2 years

EU-15

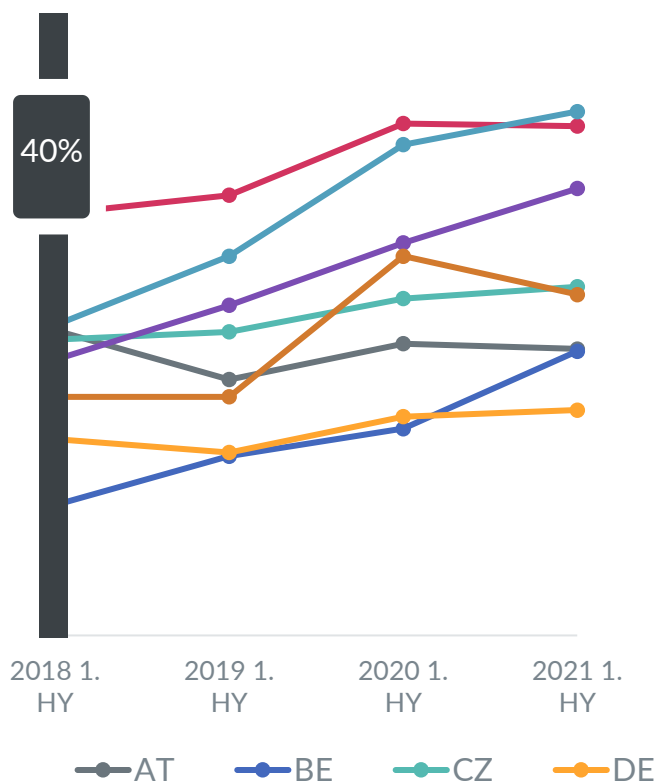
The e-Grocery landscape

Mixed view across Europe. Maturity levels highly differ. SE and NL lead in e-grocery share.

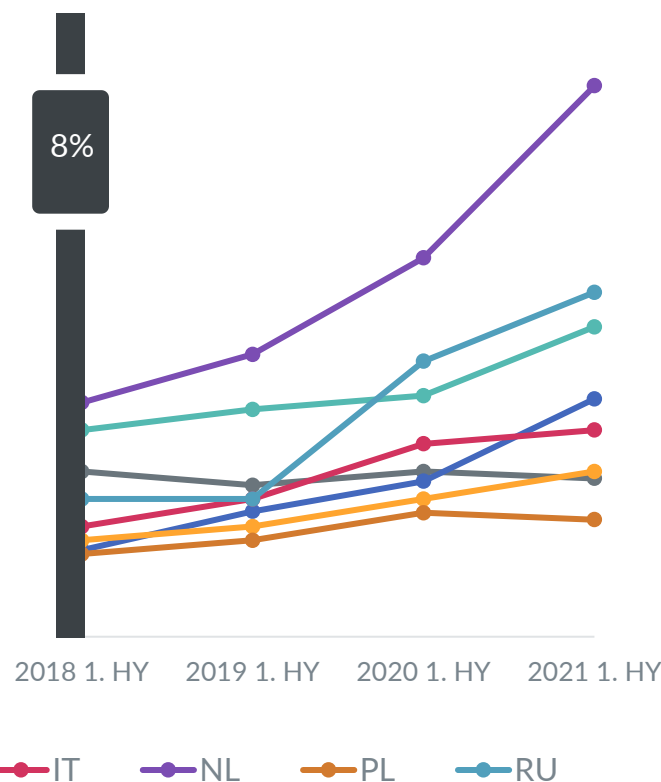


The e-Grocery landscape

e-grocery penetration



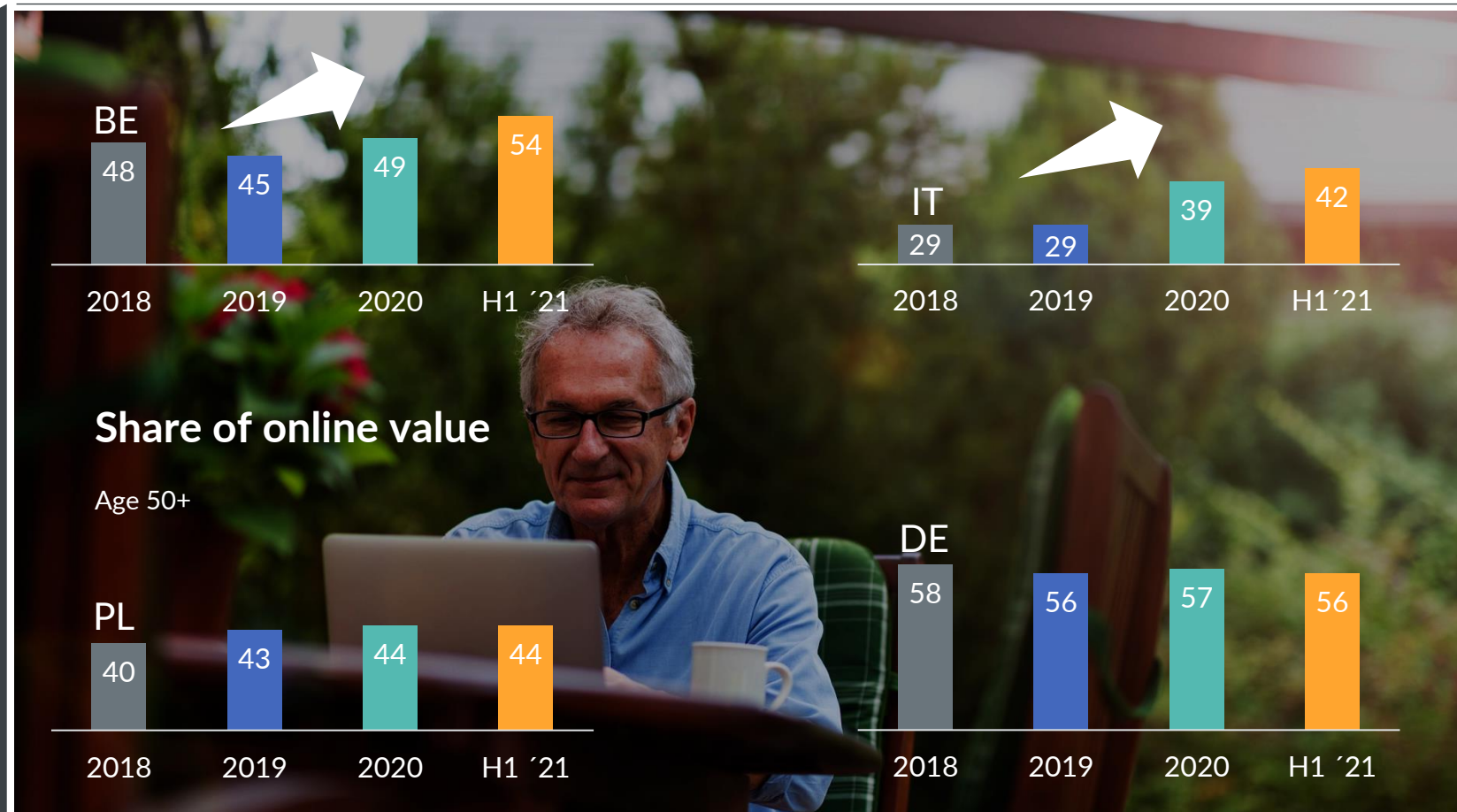
e-grocery value share



Pandemic e-grocery boost not equally strong nor equally sticky across the Europe

☰ The e-Grocery landscape

E-grocery
'maturing' as it is
increasingly
attracting
valuable shoppers
aged 50+

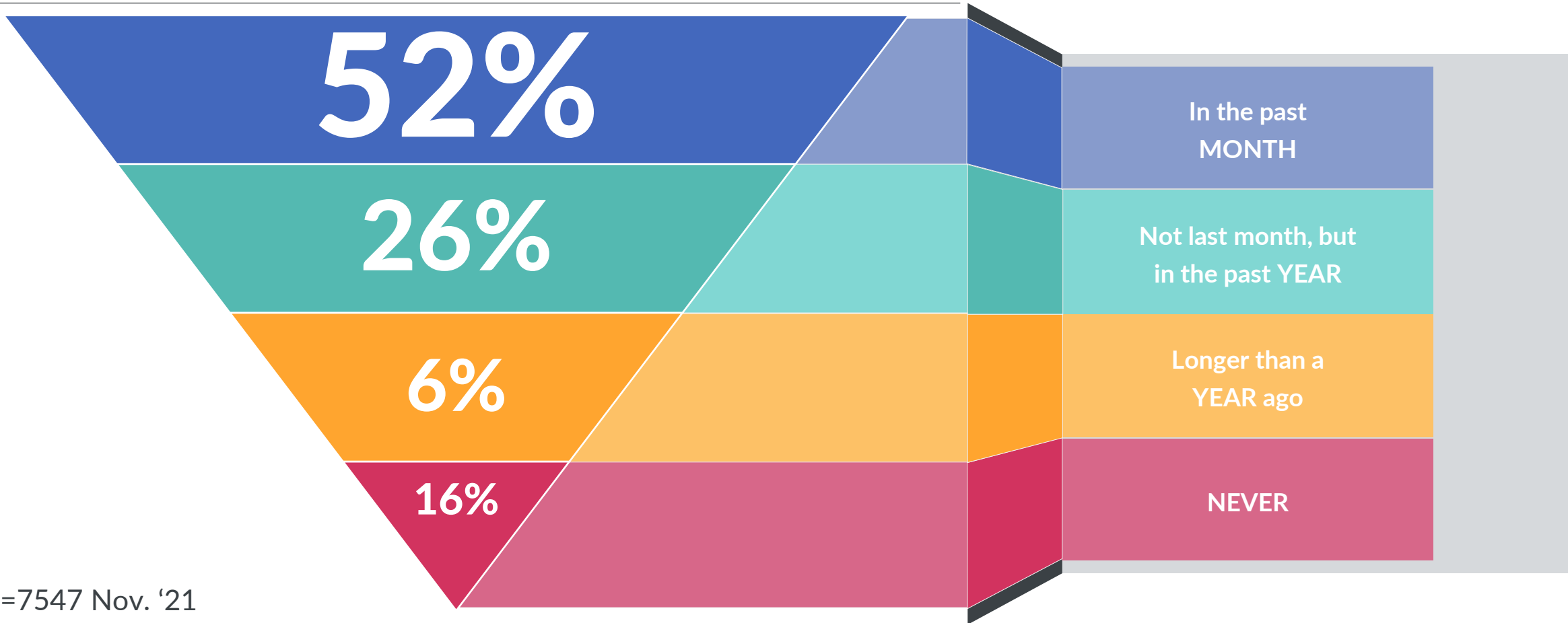


However....

Buying EVERYDAY GOODS online undeniable part of daily life



  The e-Grocery landscape

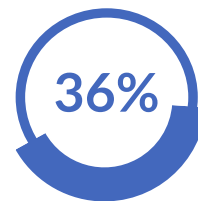


EU-8 n=7547 Nov. '21

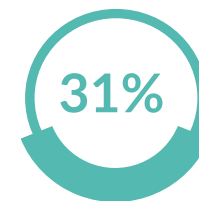
☰ The e-Grocery landscape

As shoppers mature, ux increasingly a driver for retailer choice

Top 5 reasons to start



1
Attractive pricing & promotions



2
Attractive / no delivery fees



3
I can find everything I need



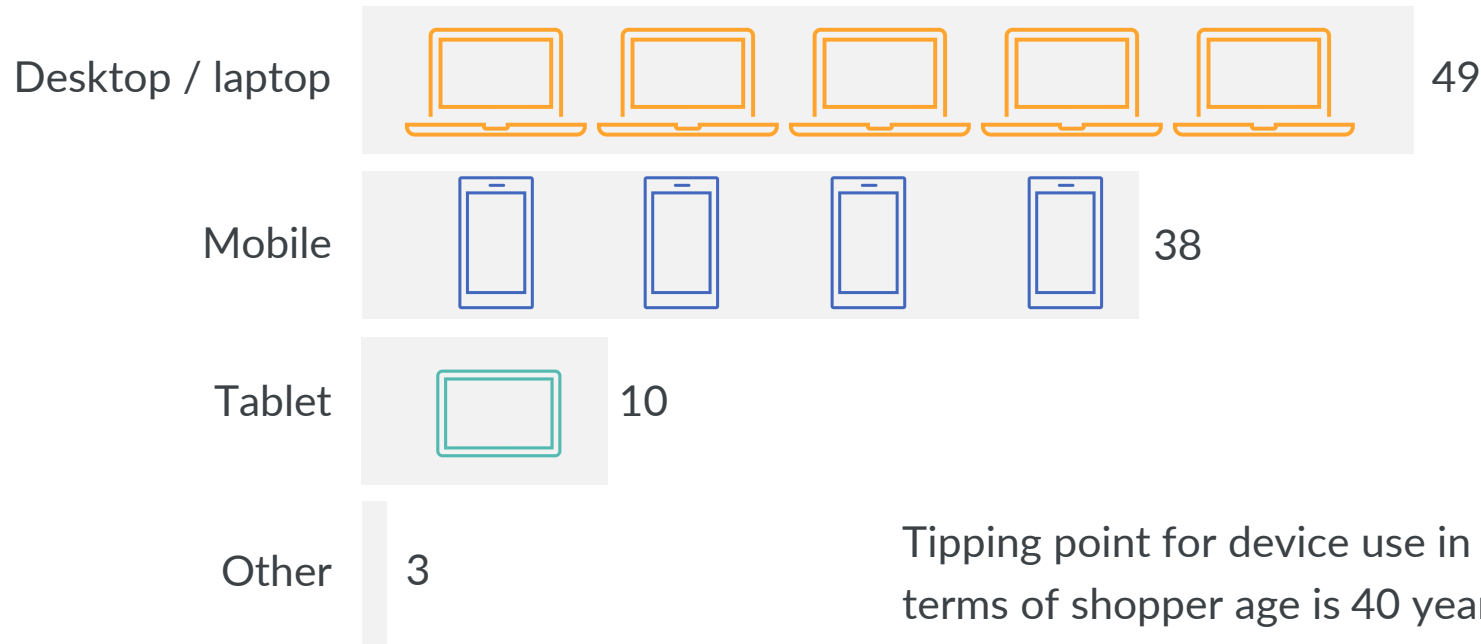
4
User friendly website / app

Heavy buyers
Index 164



5
Recommended to me

☰ ■ The e-Grocery landscape



Tipping point for device use in terms of shopper age is 40 years. Below 40 smartphone is the main device.

Desktop/laptop most used to buy. App only strategy omits large buyer base.

Non-buyer barriers



Preferring physical is emotional

(Social) experience most important barrier



Non-buyer barriers

Appreciate the experience of going to the store



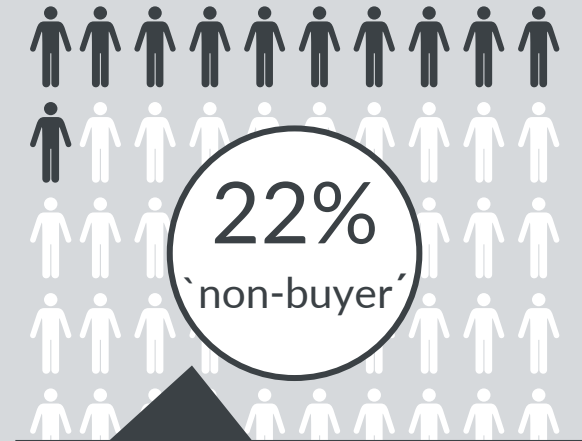
I cannot judge the quality of products

I want to have social contact

I can't buy all products online

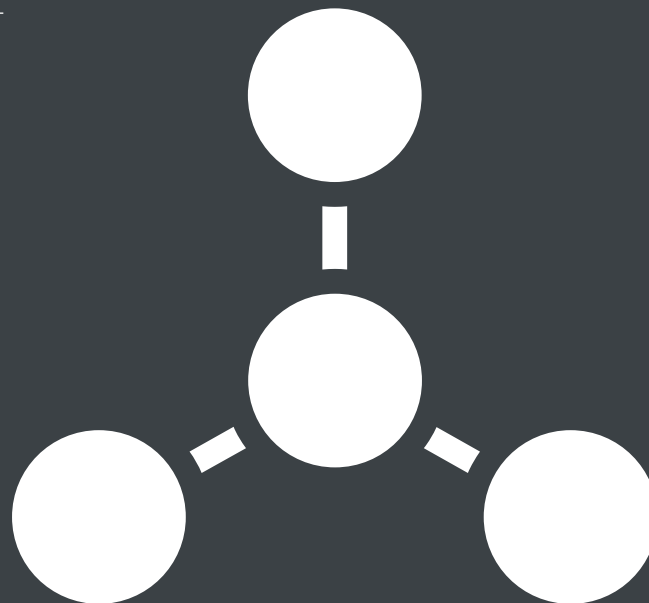
Does not offer me any advantage

Products not immediately available



Of whom:
16% 'services not available'
17% 'don't know about those services'
15% 'too difficult for me'

Channel choices now & next

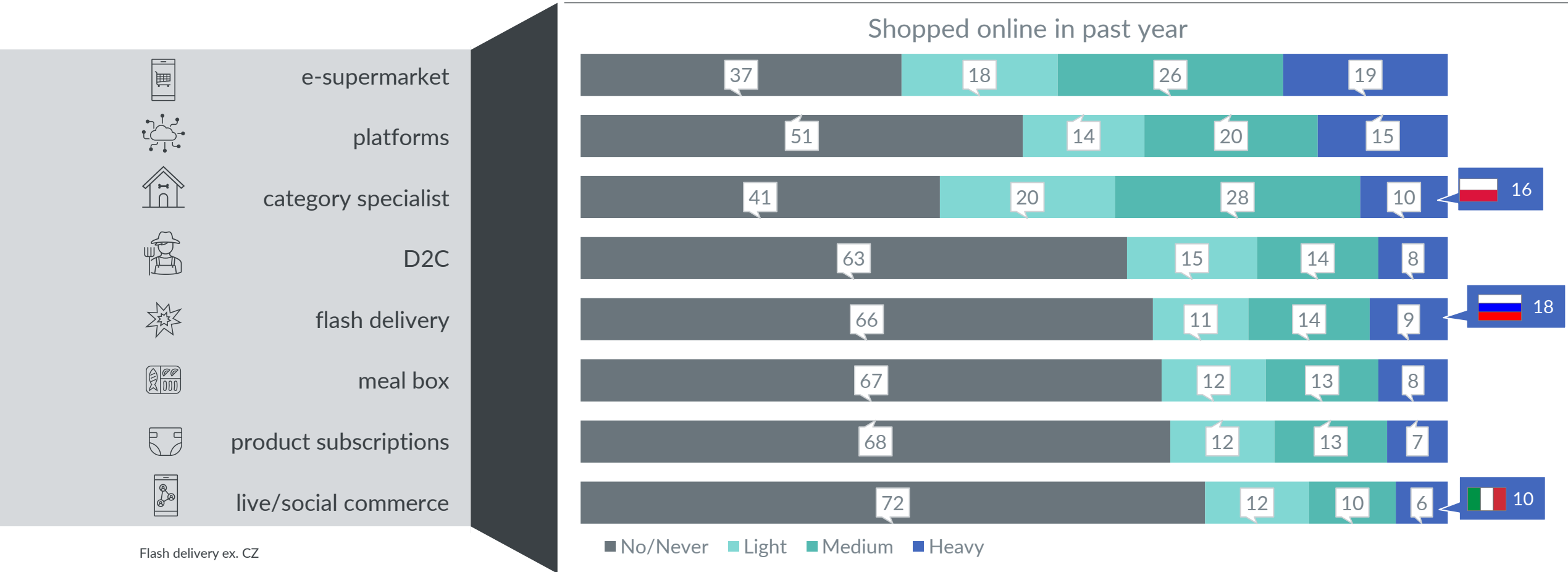


E-supermarkets and specialists most used

Live commerce and flash delivery reach about 30%



Channel choices now & next

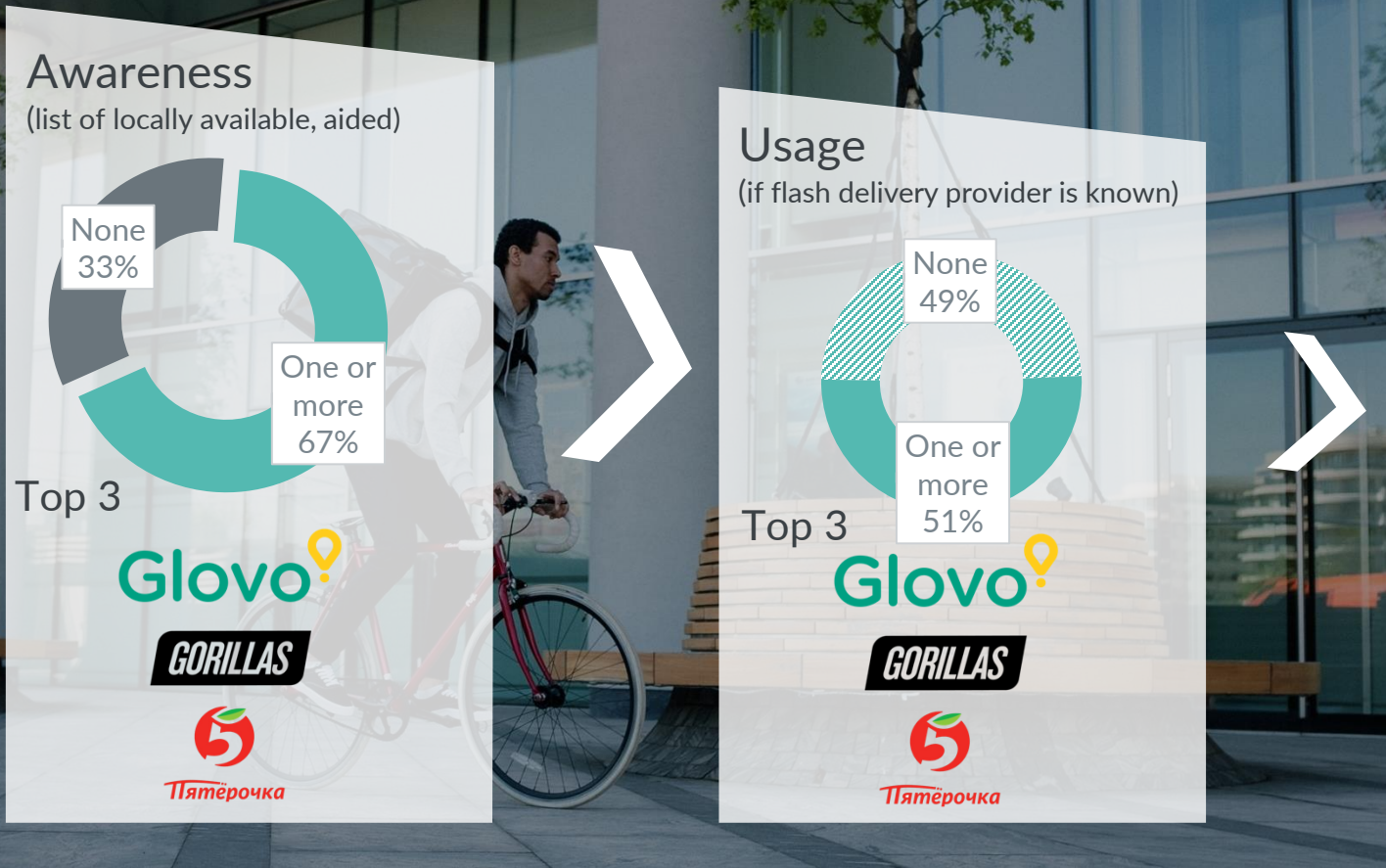


Two-thirds knows a flash provider

Half of them have used it, mainly for instant gratification



Channel choices now & next



Occasion

(if flash delivery provider is used)

Food / drink for now	36%
Special occasion / party	32%
Small trip for few days	27%
Food / drink for later	25%
Stock up trip	22%
Big trip for few days	21%
Urgent forgotten item	15%

POLL

Which channel do you expect to grow fastest for FMCG?

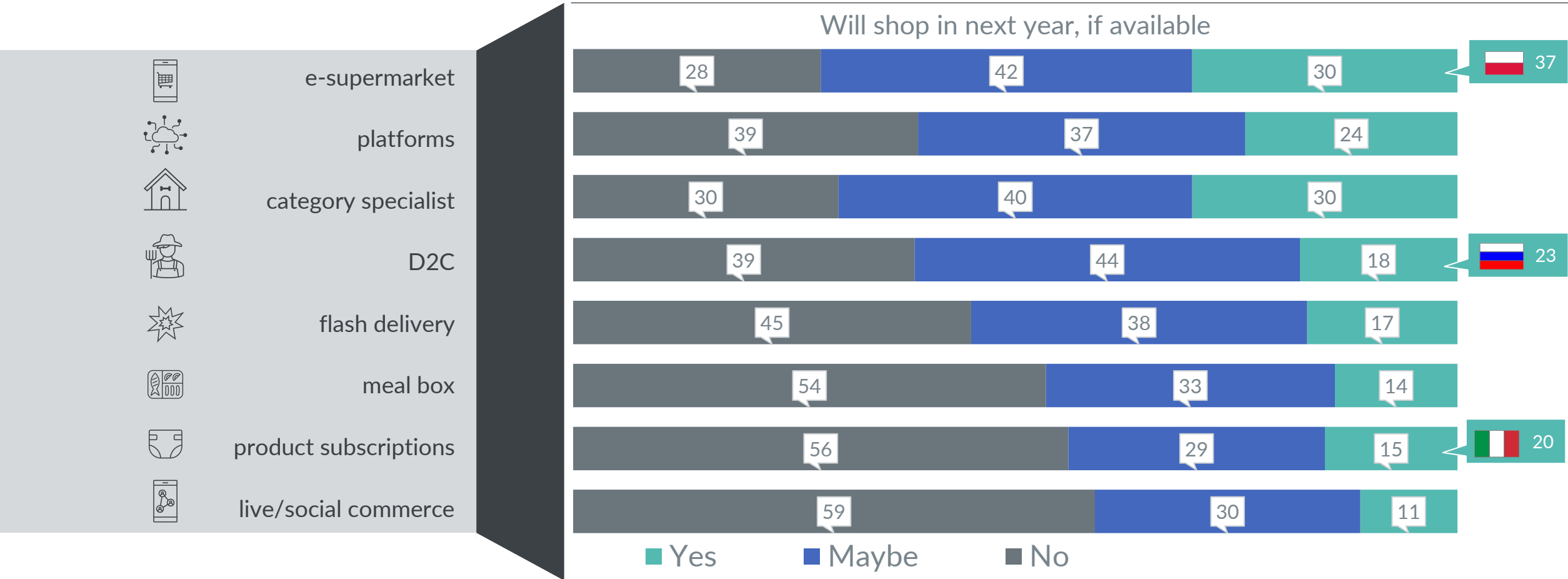
- a. Flash delivery
- b. D2C
- c. Online category specialists
- d. Live commerce
- e. e-Supermarket

Future services

D2C & flash delivery stand to gain most new buyers



Channel choices now & next



Categories & occasions now & next



 Categories & occasions now & next

37% of light buyers has not shopped for weekly groceries incl. Fresh food

Vs.

13% of heavy buyers has not shopped for weekly groceries incl. Fresh food

Top 3 most frequent occasions

- No. 1 stock up of heavy items / nonperishables
- No. 2 stock up of special product promotions
- No. 3 special one off offer trip

14% of all say they will not buy anything

Categories & occasions now & next

Only 2 categories have reached >50% of online shoppers



Categories most likely to be bought – all shoppers

- No.1 Cosmetics 51%
- No.2 Household cleaners 49%
- No. 3 Household items 42%

Categories most likely to be bought – non buyers

- No. 1 Cosmetics (35%)
- No. 2 Household cleaners (29%)
- No. 3 Pet supplies (26%)

14%

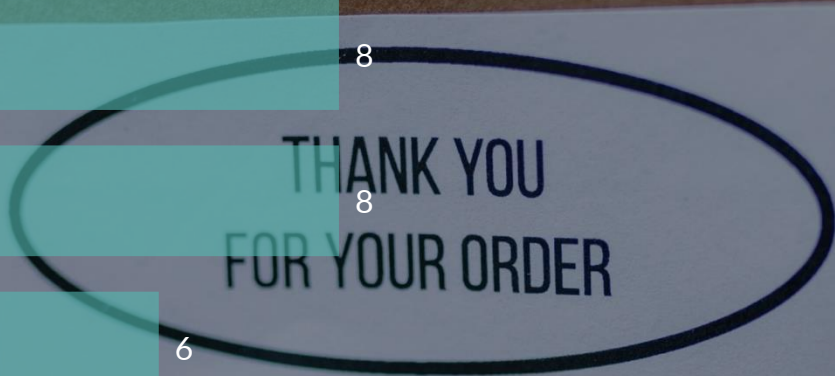
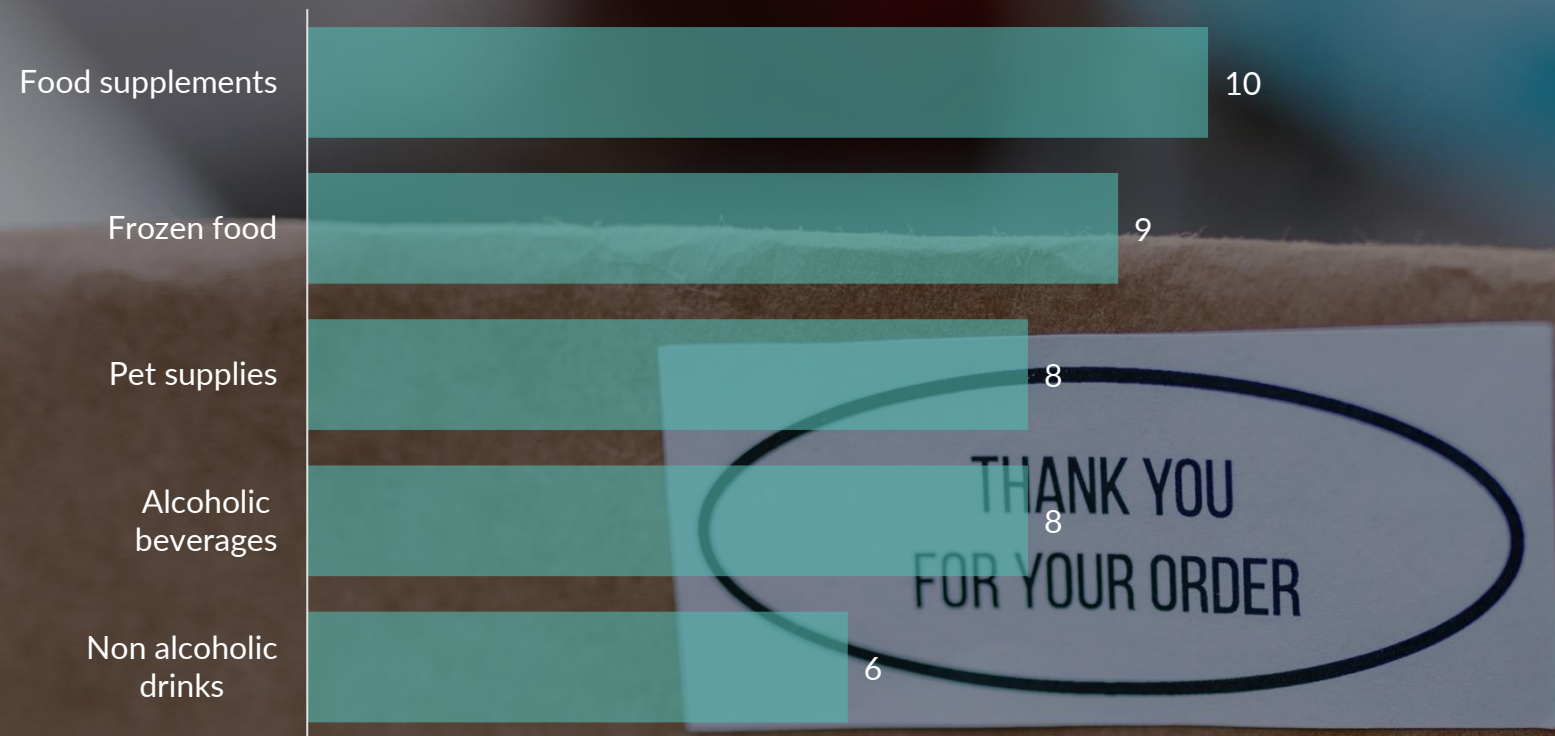
won't buy anything

- 33% of non buyers
- 4% of light buyers
- 1% of heavy buyers

Categories & occasions now & next

Heavy buyers extend to supplements, drinks & frozen foods

Top 5 online categories, based on future growth in % buyers, heavy buyers

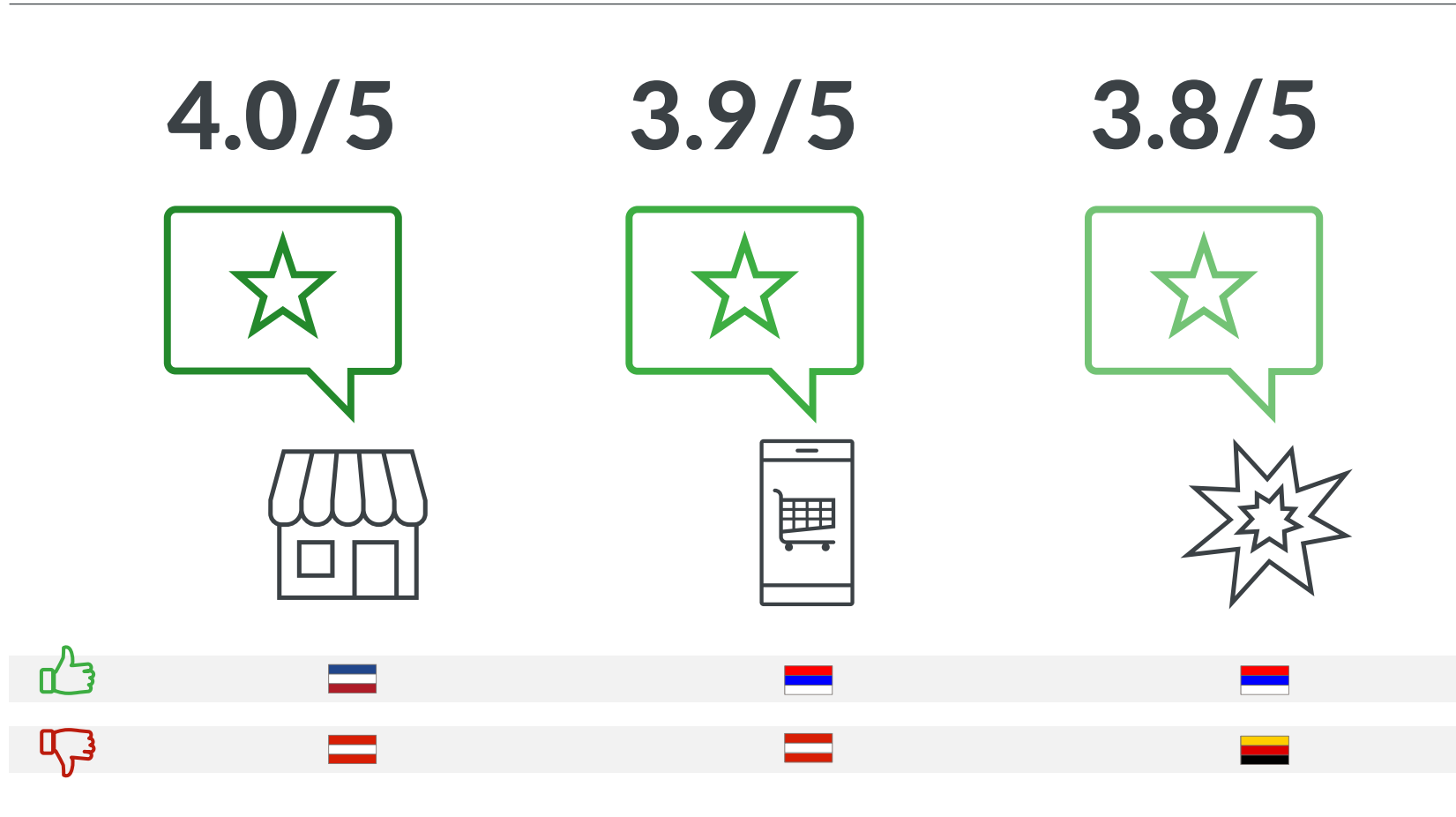


Satisfaction drivers @ main online retailer



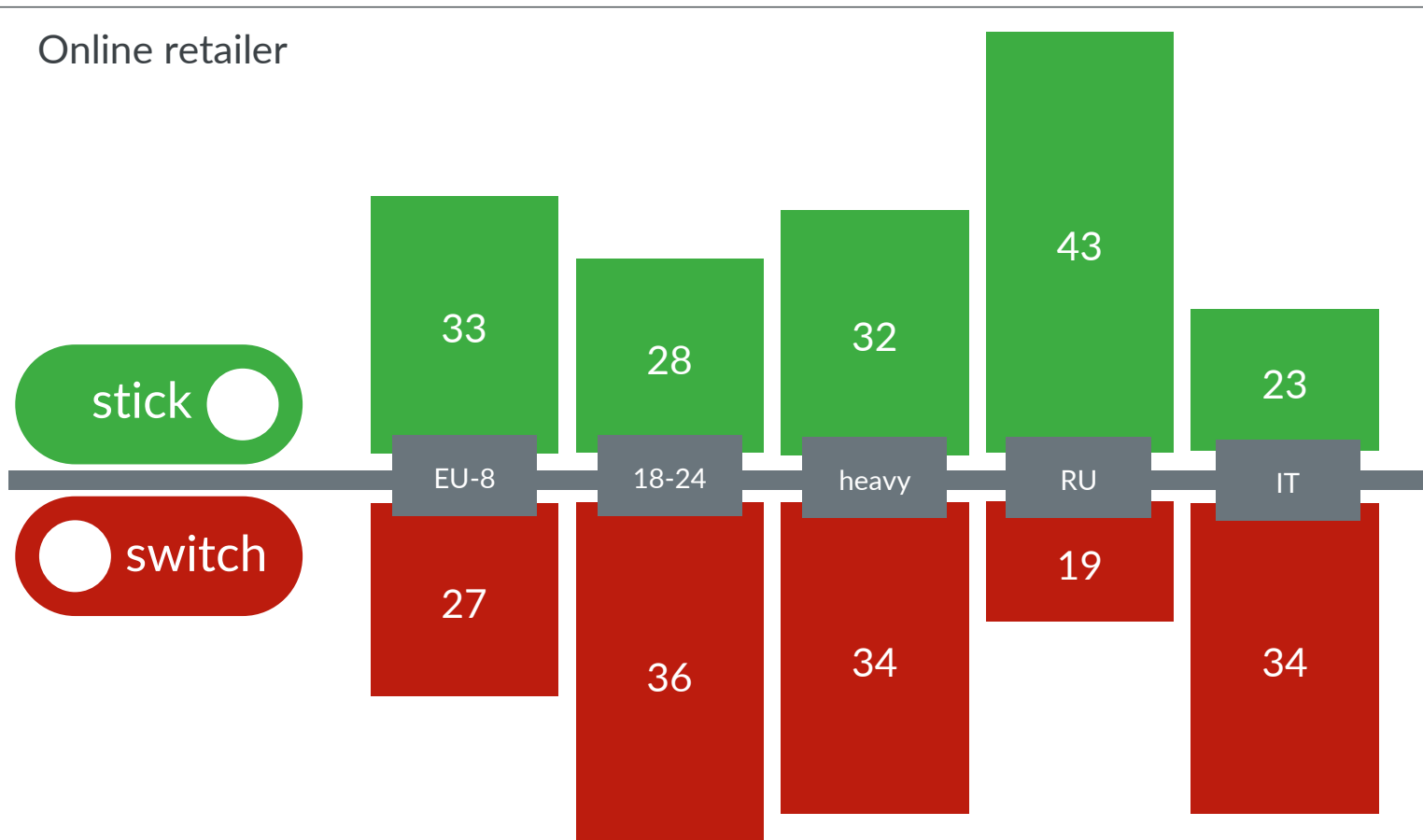
Satisfaction drivers @ main online retailer

Offline satisfaction still triumphs, except in Russia



Satisfaction drivers @ main online retailer

Online retailer



More people plan to stick than switch, but heavy buyers at risk


Satisfaction scale tips toward offline

Austrian shoppers least excited about online experience




Satisfaction drivers @ main online retailer

EU-8 satisfaction online compared to offline

 digital natives
heavy buyers
big cities



 18-24 years old
light buyers
tech challengers



(much) more offline



Flexibility is top rated, data safety lowest

Light shoppers least satisfied about fresh offer



Satisfaction drivers @ main online retailer



Satisfaction comparing main online vs main offline retailer



Top 5

Bottom 5



Drivers of ONLINE satisfaction

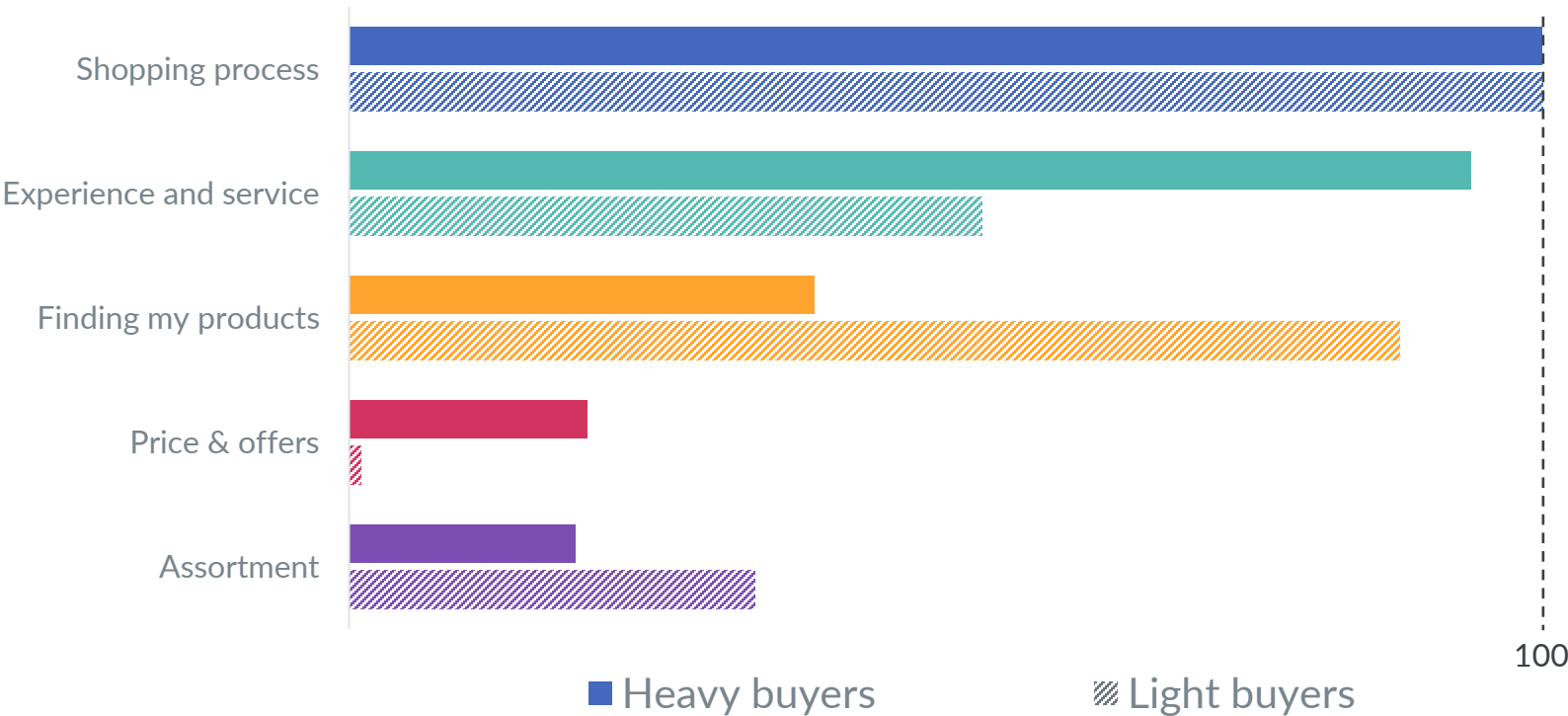
☐ Satisfaction drivers @ main online retailer



Findability priority for light buyers

■ Satisfaction drivers @ main online retailer

Online satisfaction driver analysis heavy vs. light buyers



Experience
decisive later
on in the
shopping
curve

In the shopping process, simplicity and findability are key drivers for (dis)satisfaction



☰ Satisfaction drivers @ main online retailer

Shopping process

Top 3 drivers EU-8



Basics need to get fixed first

Satisfaction drivers @ main online retailer

In Germany and the Netherlands, the top drivers are underperforming with e-grocery shoppers

			
I can do the shopping quickly	100	The entire purchasing process is rather simple	100
I can easily work through my shopping list	59	I find my way around well	86
I can flexibly integrate shopping into my everyday life	52	The products are delivered directly to me	66



Light buyers overall less satisfied

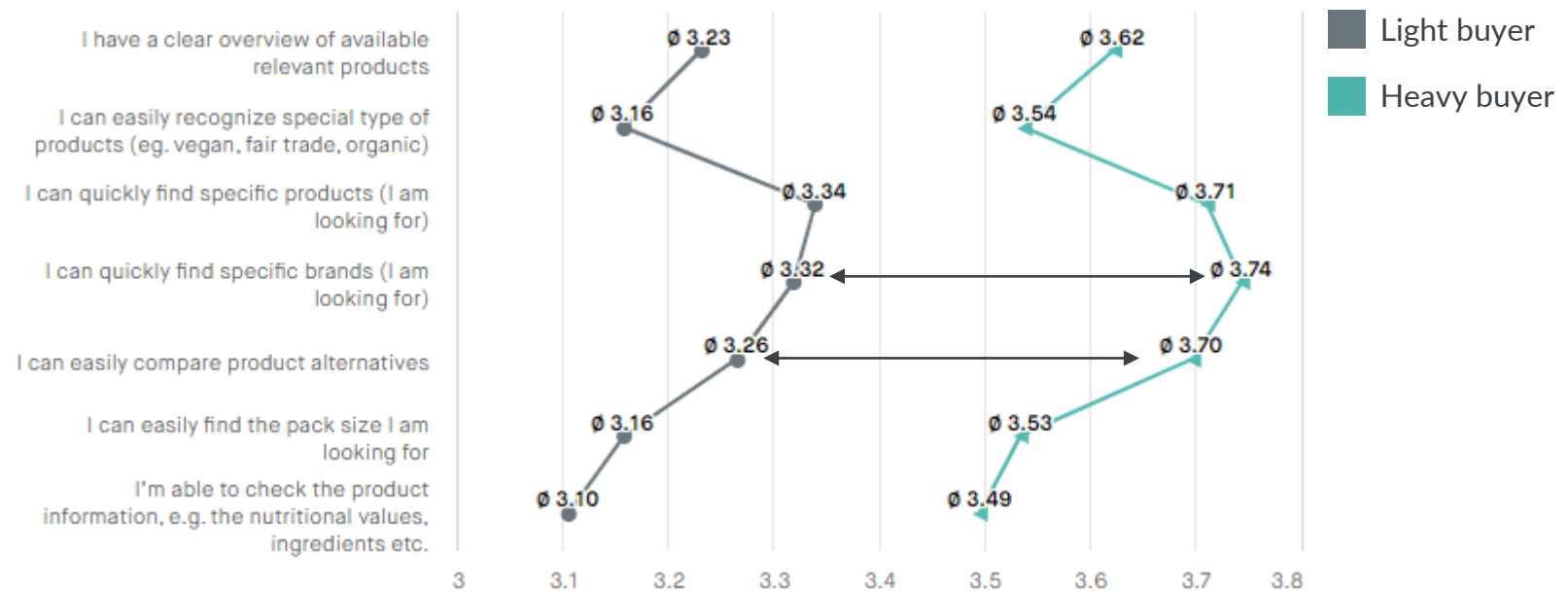
Finding brands and comparing alternatives are differentiators



Satisfaction drivers @ main online retailer

Finding my products

Satisfaction scores online compared to offline

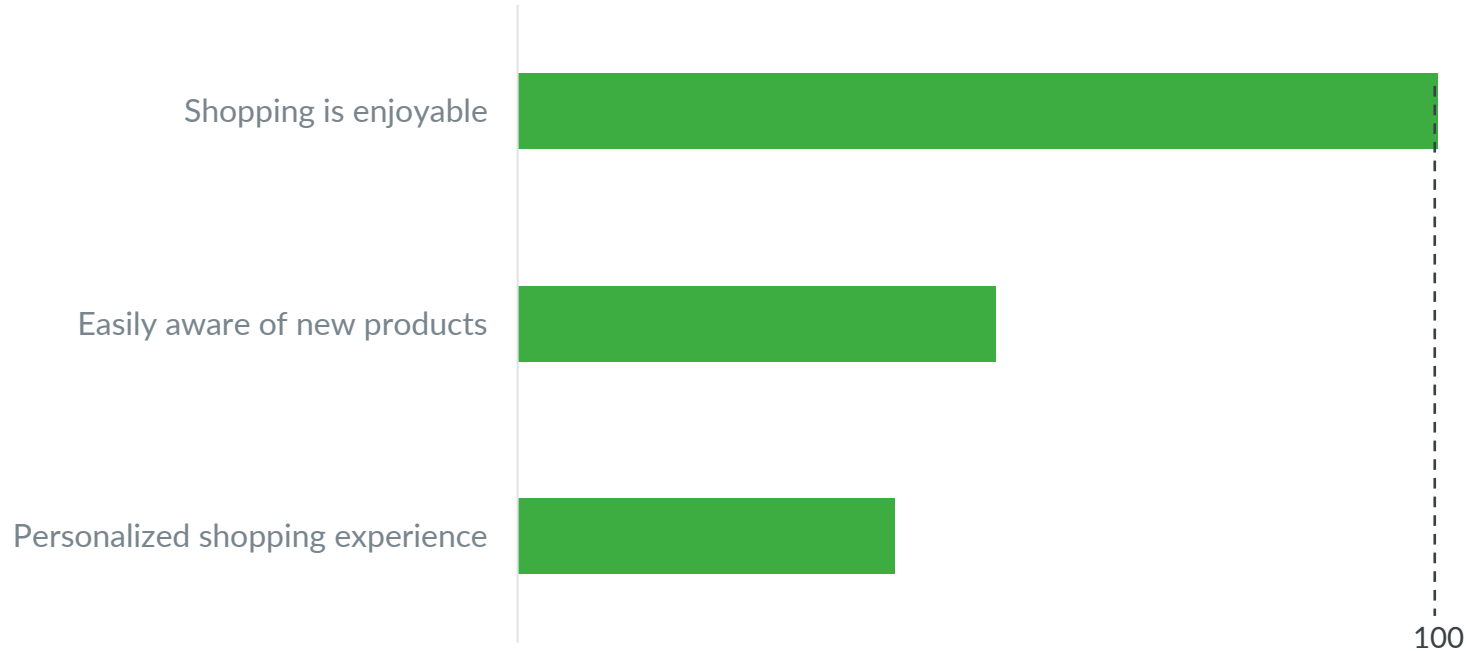


Enjoyment by far the major driver, followed by new product awareness and personalization



☰ Satisfaction drivers @ main online retailer

Top 3 drivers EU-8



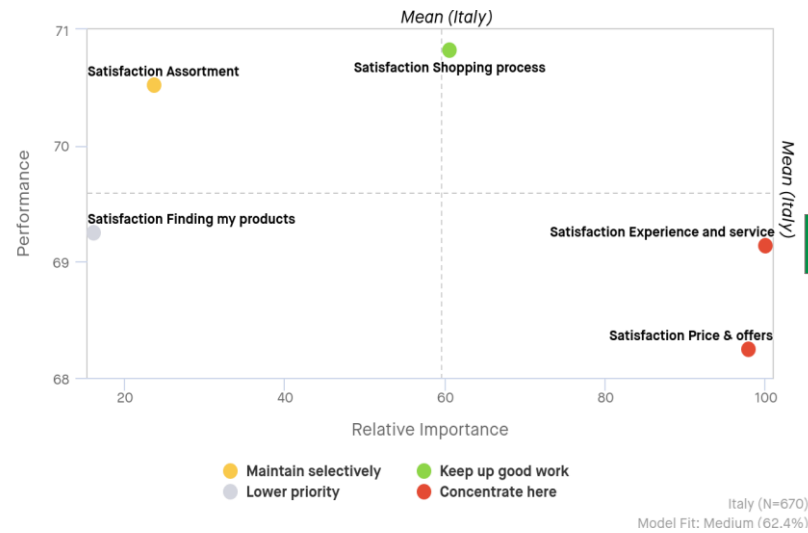
Experience falls behind in Italy

Rewarding loyal customers is a common problem



Satisfaction drivers @ main online retailer

Experience & service

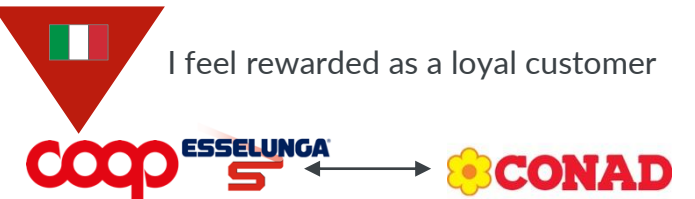


- 1 Shopping is enjoyable
- 2 I get product suggestions
- 3 I feel rewarded as a loyal customer

I get a personalized shopping experience



I feel rewarded as a loyal customer



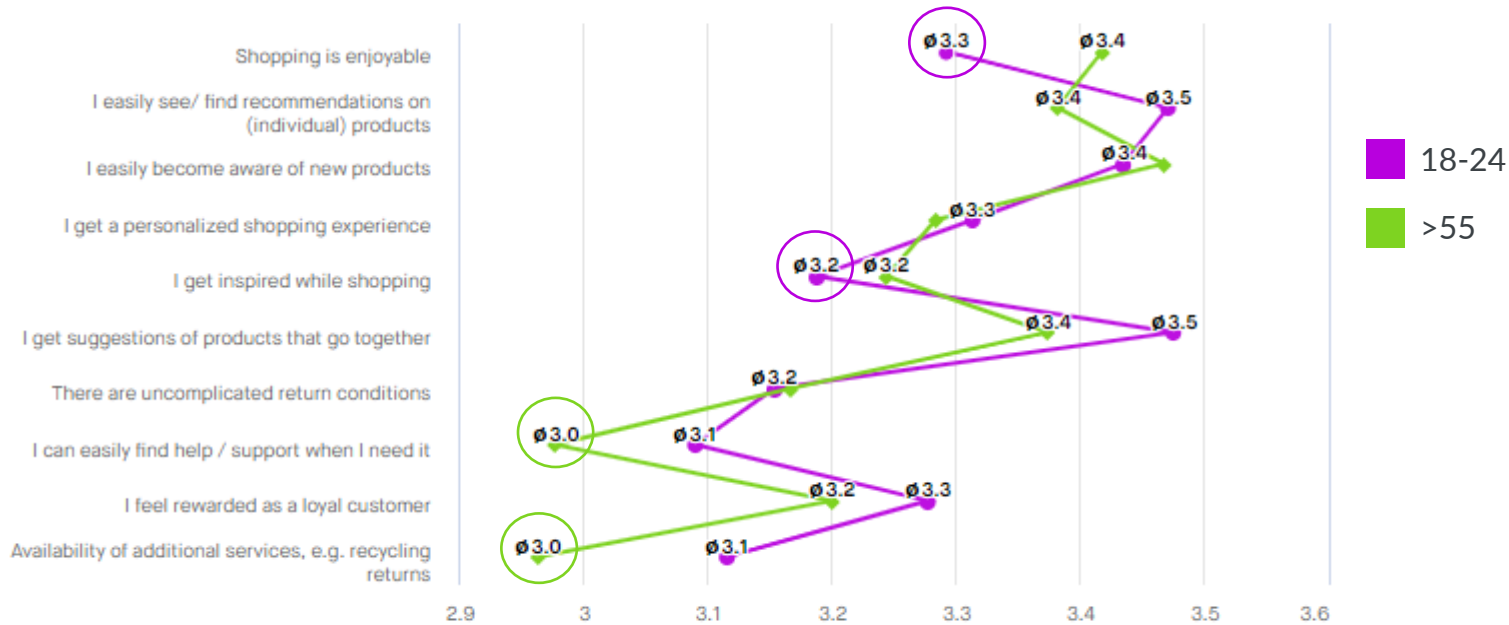
Experience 'needs' vary

Service and support versus fun and inspiration



Satisfaction drivers @ main online retailer

Satisfaction scores online compared to offline





Non-Buyer



Light Shopper



Heavy Shopper

Simplicity



Findability



Experience



Simplicity

- Instant gratification
- Onboarding
- One-to-many shopping content
- Dare to ask - opt-ins
- Data sharing - what's in it for me?
- App & web strategy

Findability

- One-to-one virtual shopping assistance
- Get your CPT straight
- Predictability feedback loop
- Zoom out for comparability
- Product info as filter and on demand labels

Experience

- Balance between technology and humanity
- Meaningful connection
- Customer loyalty and personalization
- Accessible, social, functional
- Clienteling tools, WebAR – think post conversion
- The power of community

POLL

Please vote winning concept

- a. 'Privacy first' physical stores that guarantee zero personal data usage
- b. 'Data first' auction model where shoppers share their lifestyle data & household needs on which providers bid with their most fitting basket offer



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Our objective for today ...

Structured way from IDEA to DIGITAL product

Based on GfK insights inspiration for new digital innovations

Tips & Tricks to start tomorrow in your own organization

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How to convert these GfK insights into tangible digital products?



Simplicity



Findability



Experience

How to convert these GfK insights into tangible digital products?



Non-Buyer



Light Shopper



Heavy Shopper

Simplicity



Findability



Experience



Enjoyable

Inspiration

Personalization

How to convert these GfK insights into exponential growth?



Heavy Shopper

Experience

Enjoyable

Inspiration

Personalization



Our Methodology

Digital Traction lets us orchestrate all competences & their deliverables

Representing customer, business and technology needs throughout the entire methodology from innovation and ideation to the development, distribution and marketing of digital products and their experiences.

Mobiquity's Digital Traction Methodology



mobiquity

Key Principles for Innovation

mobiquity

DIGITAL TRACTION

Based on 5 principles

#1

Human centric

#2

**Industrialised
process**

#3

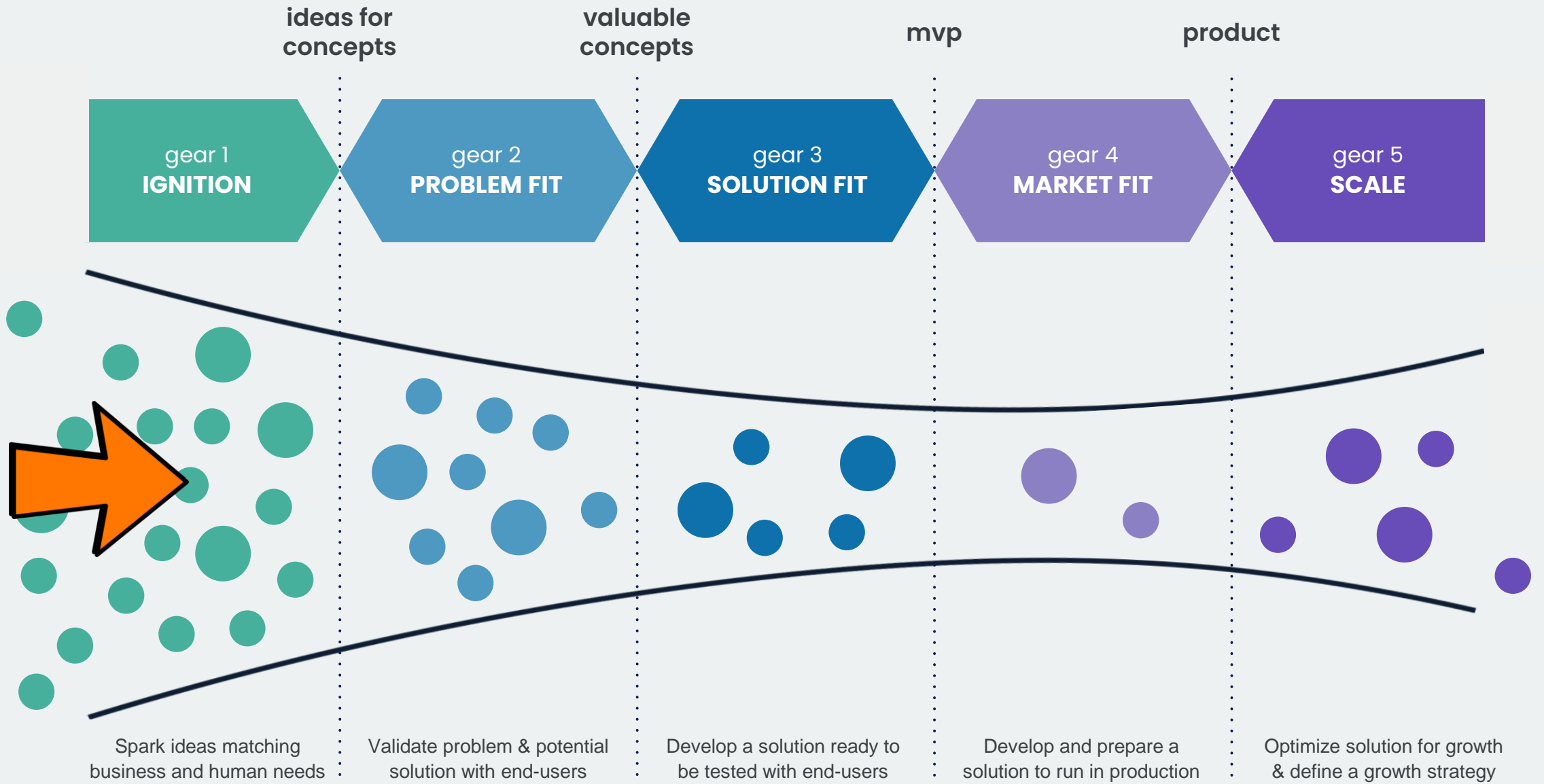
**Hyper-
collaborative
team**

#4

**Controlled
investment**

#5

**Only build what
has value**



IGNITION

To discover as many ideas
in the shortest amount of
time based on the current
knowledge.



The more
the better

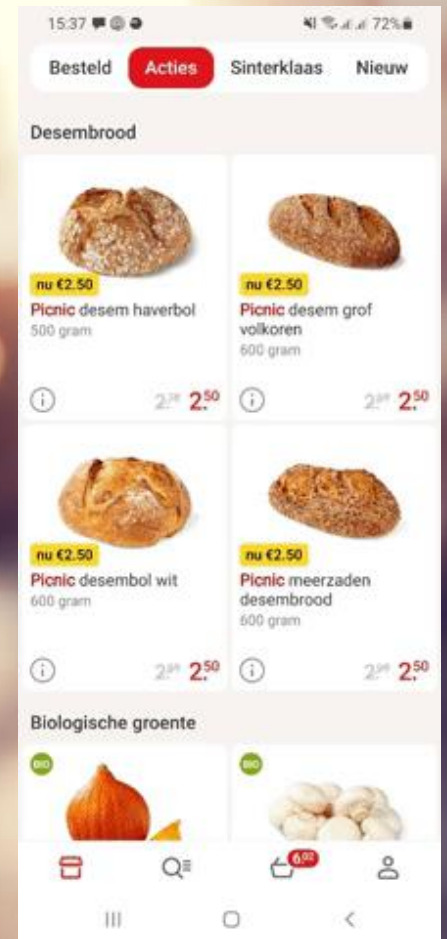
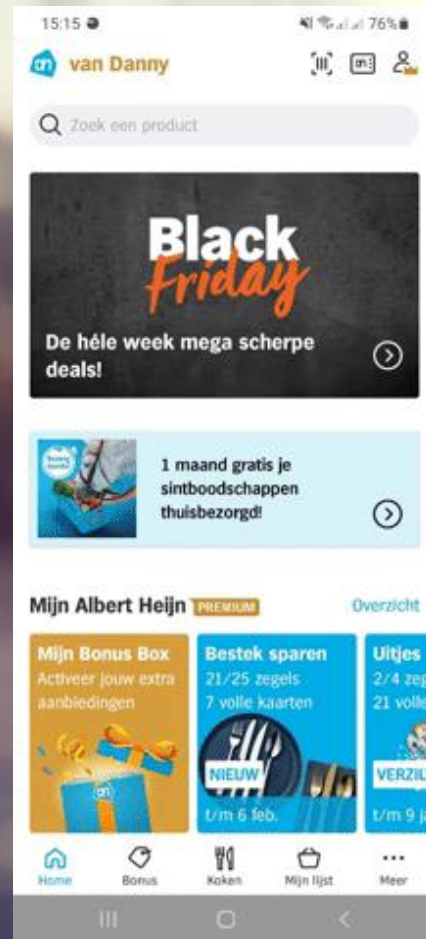
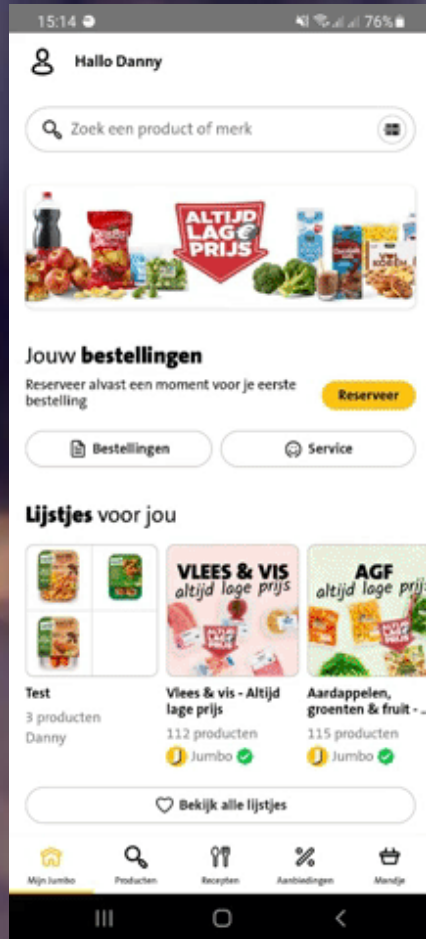
**Rigorous
selection,
fail fast**

Hypothesis for the heavy buyers ...

Creating a more **inspirational,
personal and **fun** online grocery
shopping experience trip will create
exponential growth**

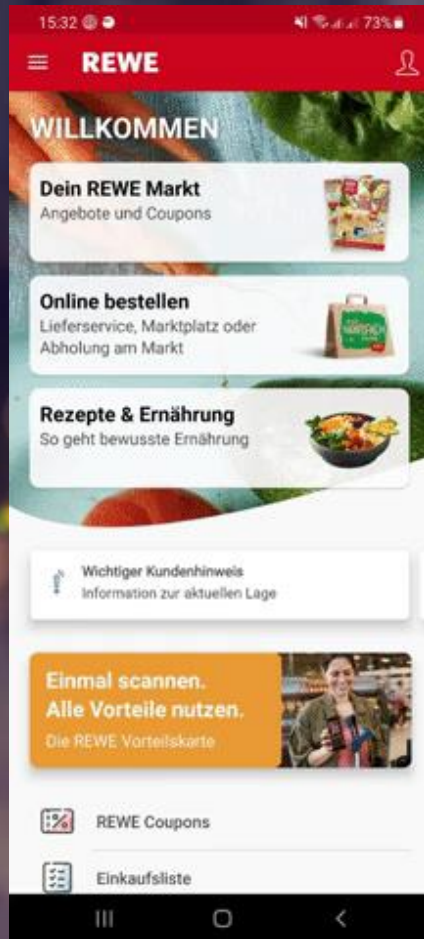
What are the retailers currently doing?

JUMBO

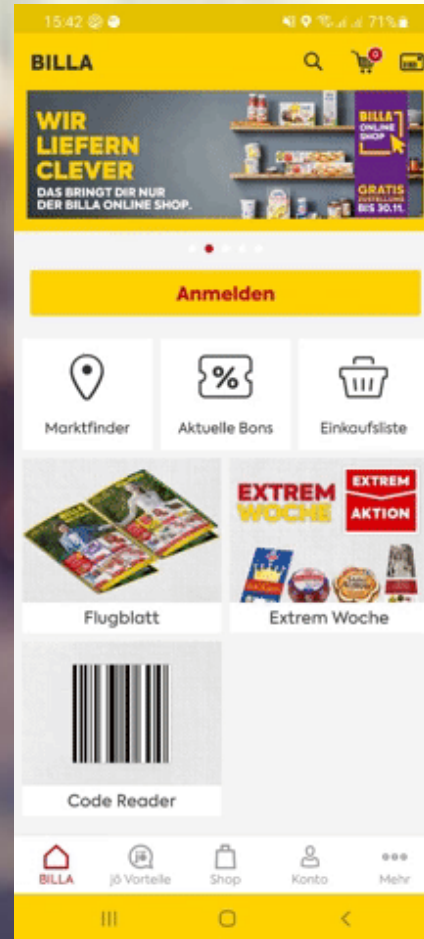


What are the retailers currently doing?

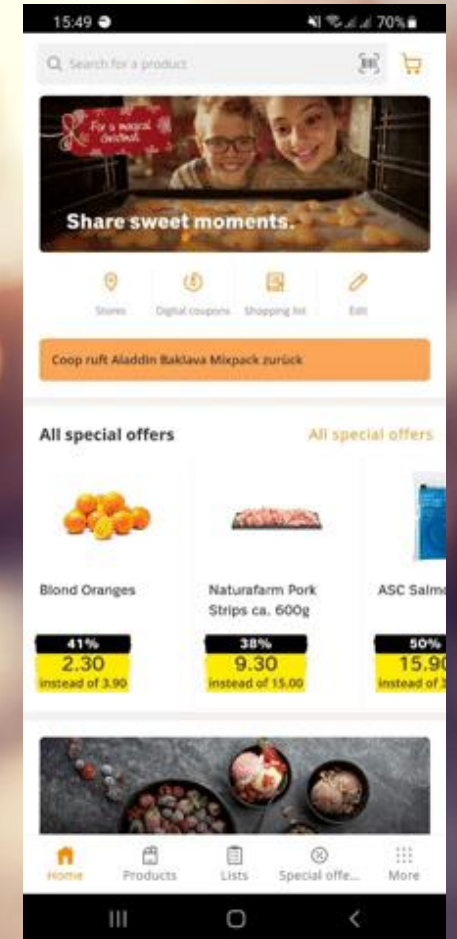
REWE



BILLA



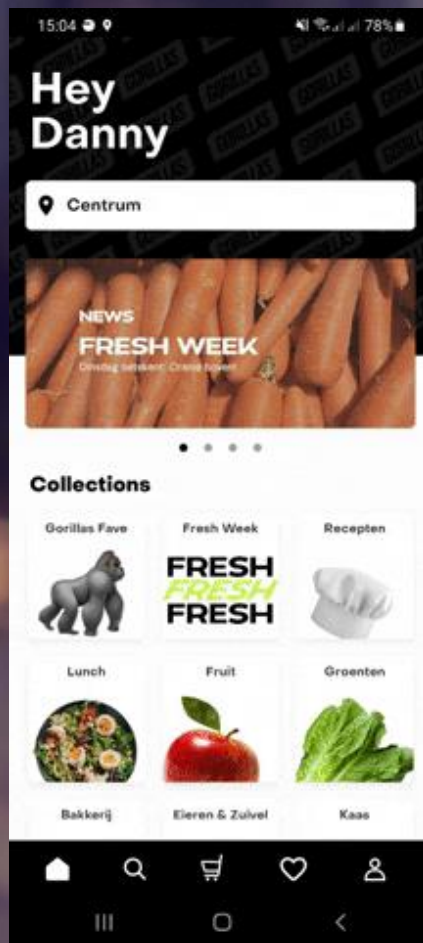
coop



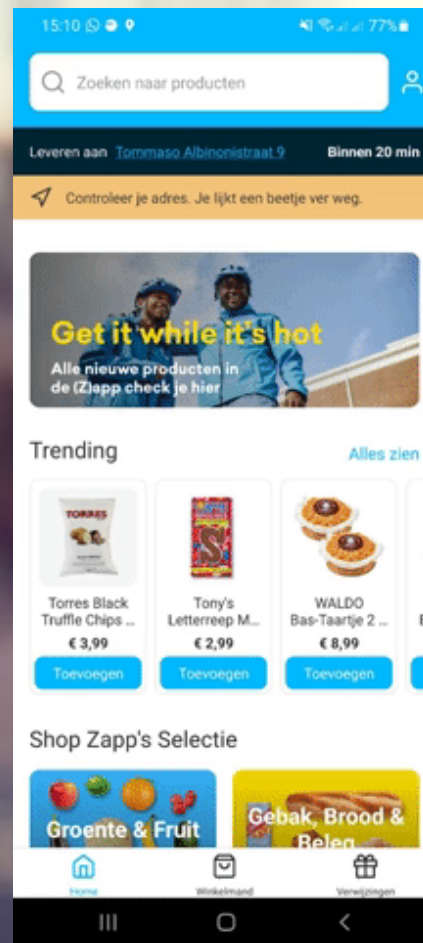
mobiquity

What are the retailers currently doing?

GORILLAS



Zapp



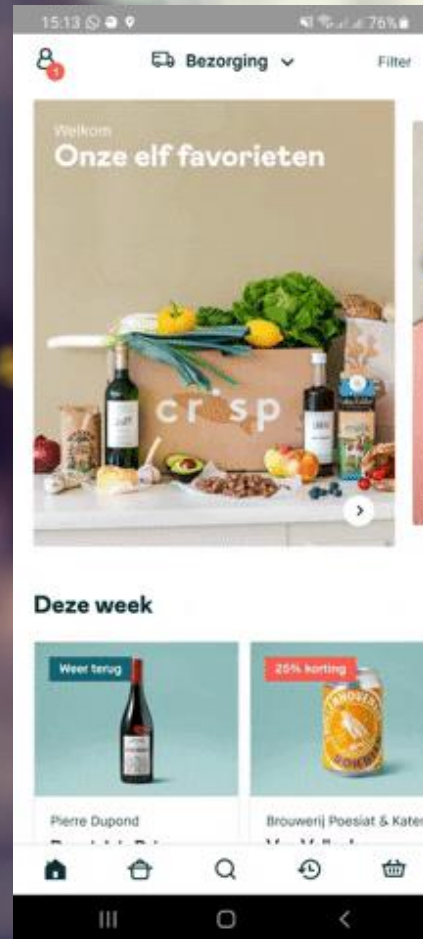
Flink



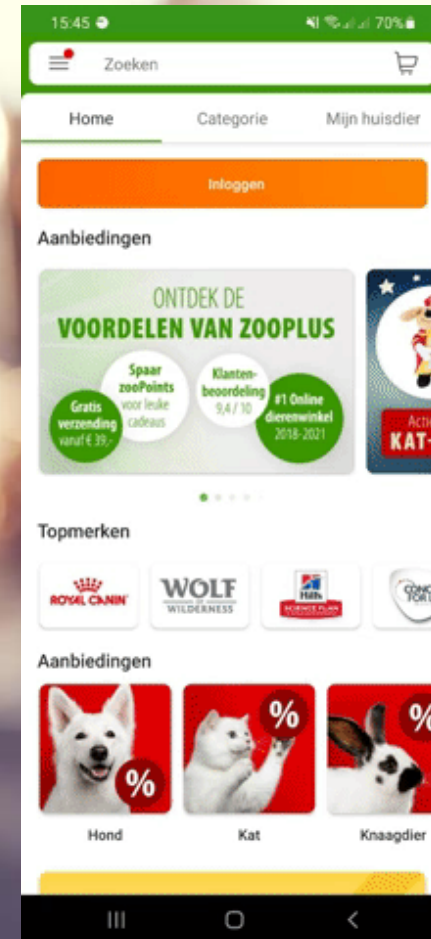
mobiquity

What are the retailers currently doing?

crisp



zooplus




What do app ratings actually say?

mobiquity

FRICION REPORT

Grocery Shopping Apps

Are traditional supermarkets still ahead in the online marketplace versus the new challengers?



SCAN ME



GET YOUR OWN TAILOR-MADE FRICION REPORT, CLICK HERE



Despite the same app rating, challengers offer far better customer experience than traditional players

	Traditional ~16K Reviews Dec 2020 - May 2021	Challenger ~5K Reviews Dec 2020 - May 2021
App Rating	4.5	4.5
Feature Rating	3.2	4.1
Reviews citing satisfaction	34%	46%
Reviews citing bugs	16%	8%
Customer support	4.0 ★★★★★	4.2 ★★★★★
Design & UX	4.0 ★★★★★	3.8 ★★★★★
Delivery	3.5 ★★★★★	3.9 ★★★★★
Price	3.3 ★★★★★	3.8 ★★★★★
Order	2.6 ★★★★★	3.2 ★★★★★
Payments	2.4 ★★★★★	2.6 ★★★★★
Onboarding	1.8 ★★★★★	1.9 ★★★★★
Reliability	1.7 ★★★★★	1.8 ★★★★★

First conclusions ...

Most apps look the same. Mostly UX differs.

Top ones: Better UX, Content, Semi-Personalized, Recipes & Loyalty program.

New challengers less app friction.

Pure lack of fun & experiences during the in-app journey. Too much focus on conversion only.

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Gear 1 **IGNITION**: Spark ideas matching the needs of HEAVY buyers

Bring it to live

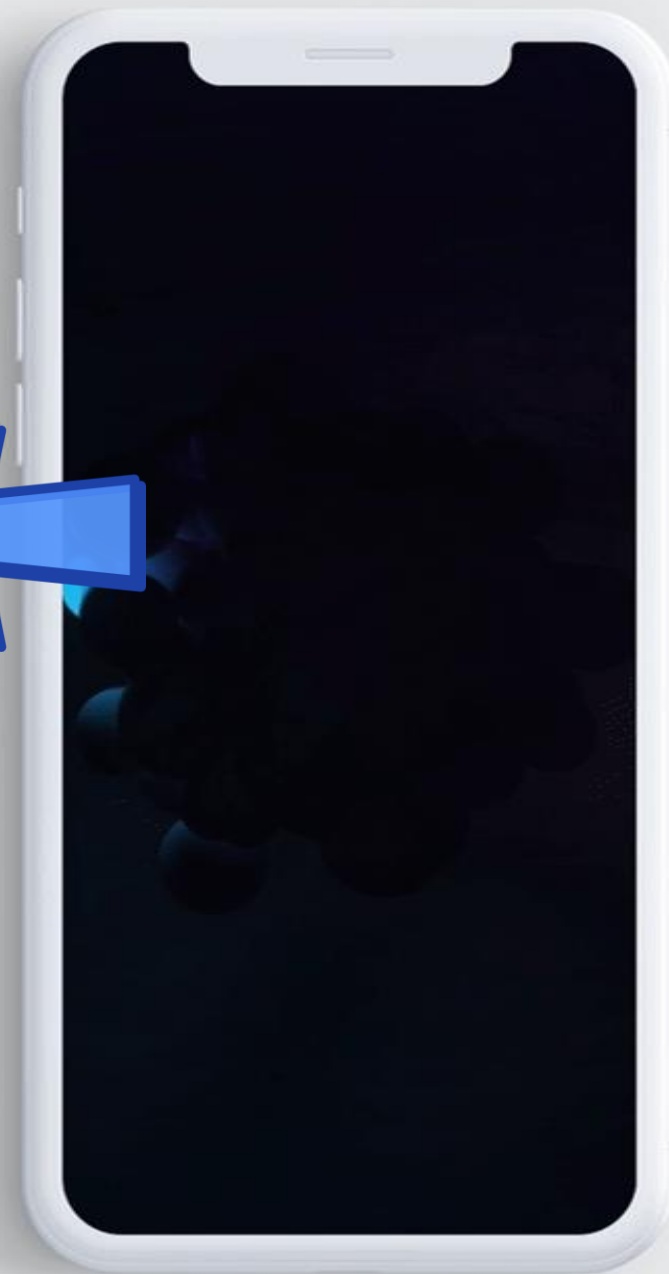
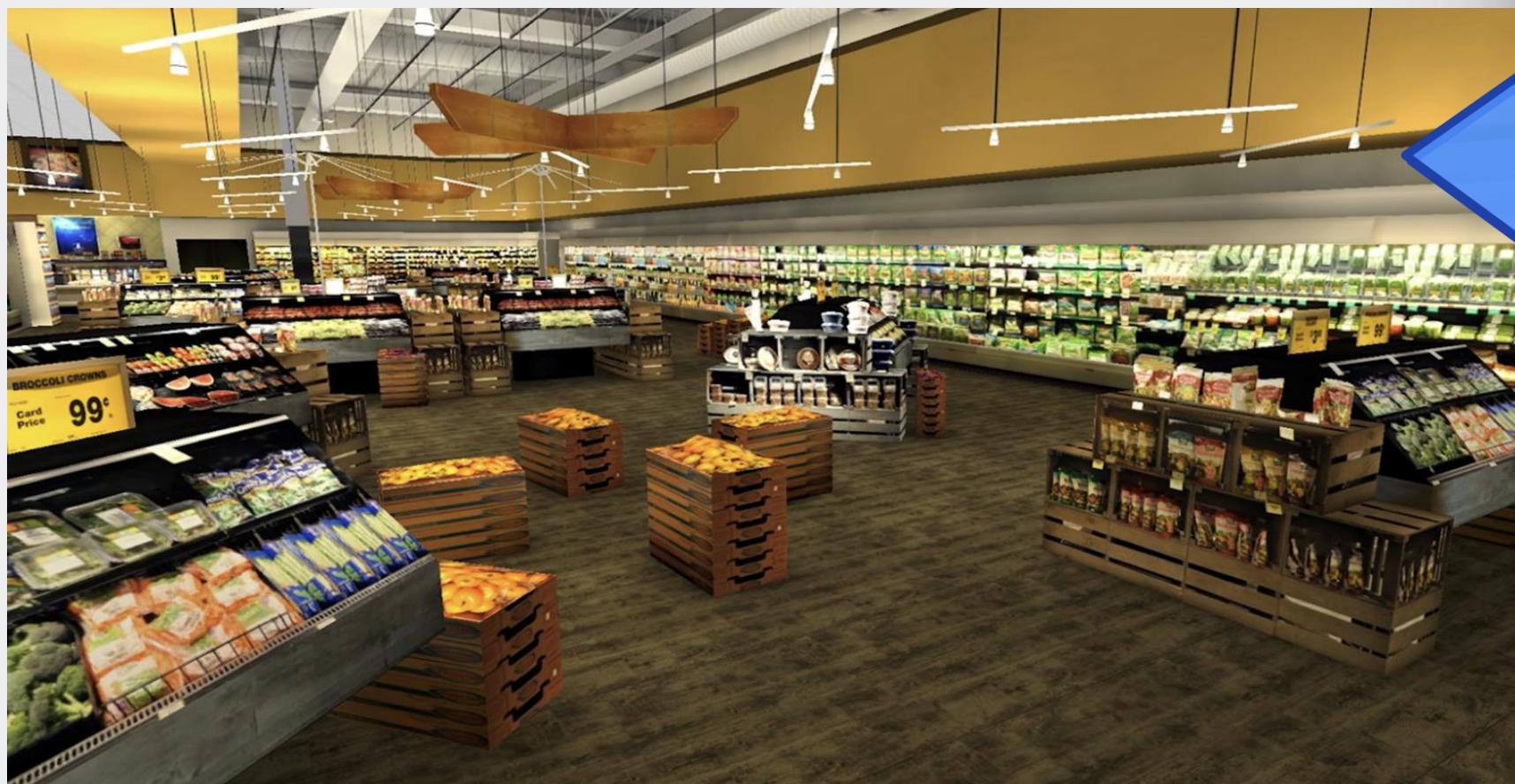
Live Food
Commerce

Sharing is caring

Tell me what to
make

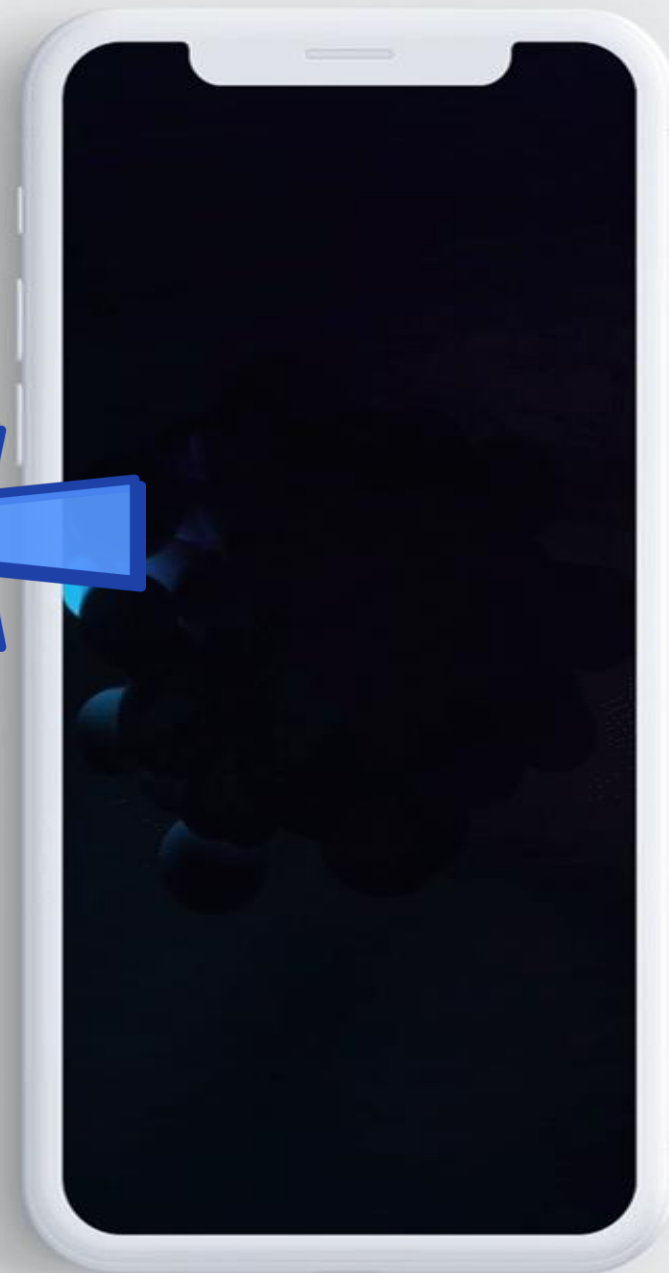
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Gear 1 **IGNITION**: BRING IT TO LIVE



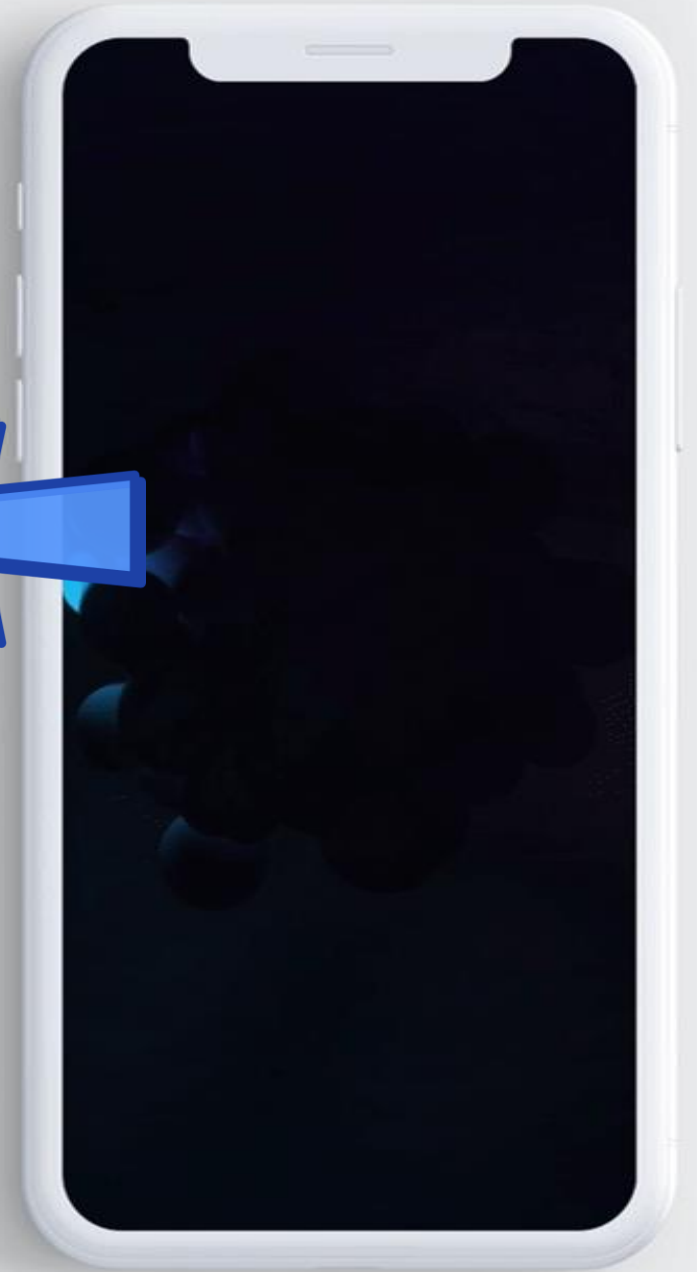
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Gear 1 **IGNITION**: BRING IT TO LIVE



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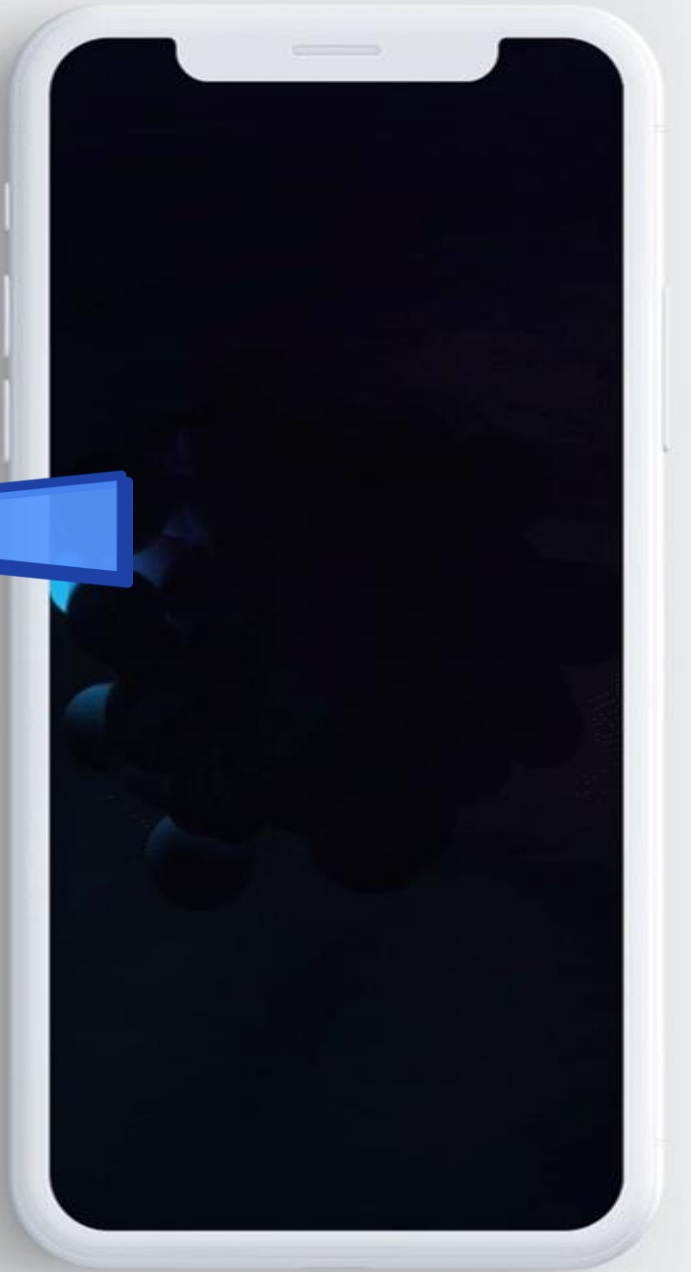
Gear 1 **IGNITION**: BRING IT TO LIVE



mobiquity



Gear 1 **IGNITION**: LIVE FOOD COMMERCE

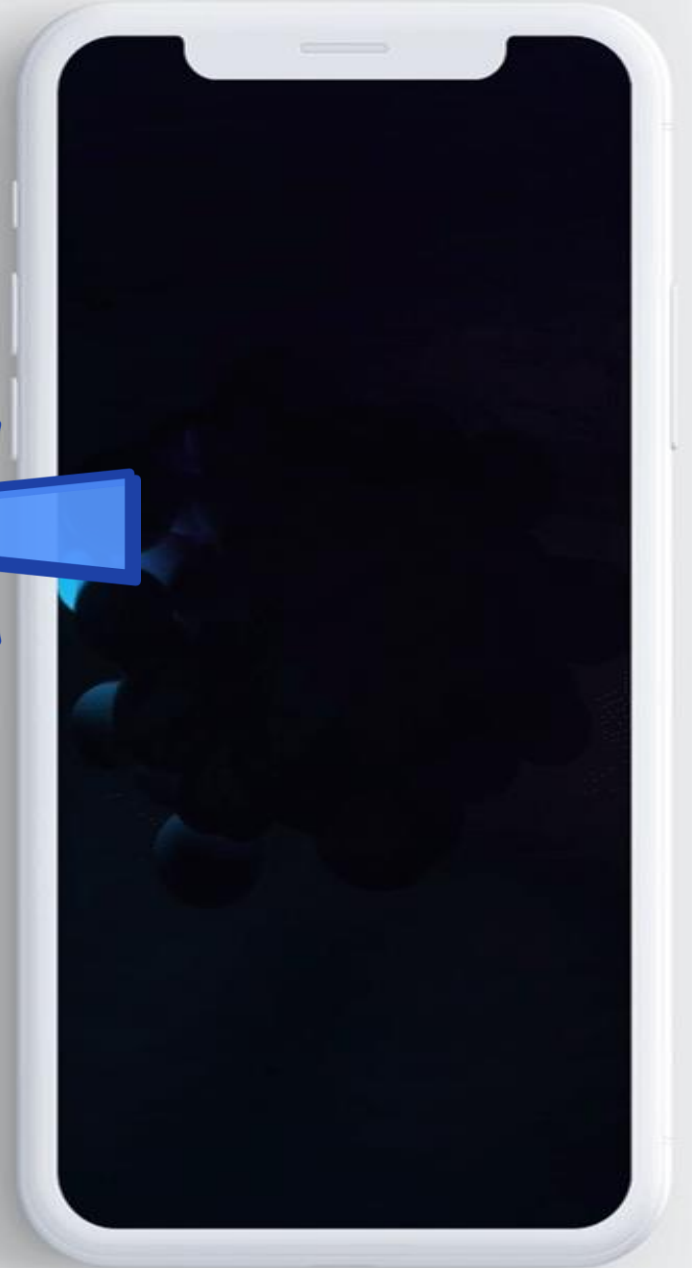


The screenshot displays the Amazon Live website interface. At the top, there's a navigation bar with the Amazon logo, delivery location (Netherlands), search bar, and account options. Below this, the 'amazon live' section is active, showing a 'Discover' tab. The main content area features a live stream by 'Digital David' showcasing iRobot Roomba vacuums. Below the stream, there are 'Early Black Friday Deals Sponsored By Ubisoft' for various products like the iRobot Roomba i6+ and Etekcity Food Kitchen Scale. A chat window on the right shows viewer comments and a 'Sign in' prompt. The bottom of the page lists 'More Livestreams' with thumbnails for 'EARLY BLACK FRIDAY DEALS', 'AMAZON MUST-HAVES', and 'Early Black Friday Deals'.

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Gear 1 **IGNITION**: LIVE FOOD COMMERCE

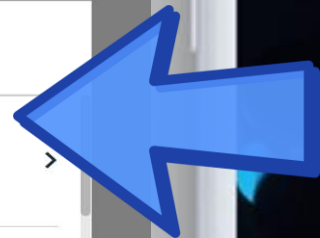
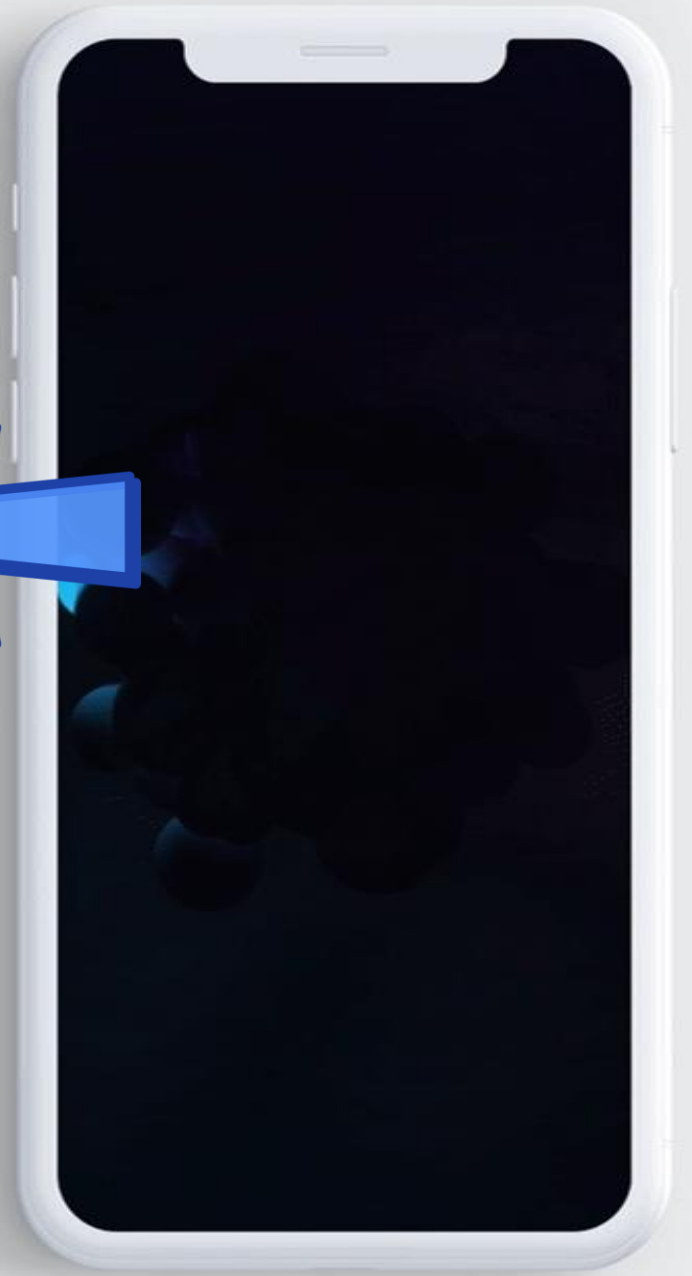


A screenshot of the Sephora Facebook page. The page features a navigation menu on the left with options like Home, Events, Posts, Reviews, Photos, Shop, Stores, Community, Videos, About, and Pinterest. The main content area shows a post from SEPHORA dated 1 November at 13:16. The post text reads: "Now's your chance to shop the NEW, limited-edition holiday collection from Charlotte Tilbury 🎁 Join us for a Facebook Live shopping event hosted by Sephora Beauty Director Melinda on Thursday, November 11, at 10am PT. https://fb.me/e/1YLuWhC0I". Below the text is a green promotional banner with a shopping bag icon and the text "LIVE SHOPPING WITH SEPHORA" and "Join Us to Shop Charlotte Tilbury Holiday Faves—Only at Sephora". Underneath the banner, it says "THU, 11 NOV Shop Charlotte Tilbury Holiday Faves—Only at Sephora Online event 218 people interested". The post has 141 likes and 29 comments. To the right of the post, there are sections for "SEPHORA Health/Beauty" with a 1.9 star rating, "Community" (19,496,761 likes, 19,619,354 followers), "About" (+1 877-737-4672, www.sephora.com), "Page transparency" (SEPHORA USA, INC. is responsible for this Page), and "People" (19,496,761 likes, 2,868 visits). A "Send Message" button is located at the top right of the post area.

mobiquity



Gear 1 **IGNITION**: LIVE FOOD COMMERCE



← → ↻ 📄 ⚙️ 📱 👤

bambuser.com/customers/peach

CHAT

RECORDED

Taylor, Peach Welcome Peach Insiders! Get ready for early access to our Winter 2020 Collection.

Amy The zipper is great for working with boots

Elaine can we order tonight can we order

Taylor, Peach Of course! Click the item images on the left of the screen and start adding to your cart without having to leave the event!

Ann Blatecky Remember your CREDIT Insiders!!! \$\$\$

SHOP

- NELL TOP Peach
- SEAMLESS STRAPPY BRA Peach
- FAUX SHERPA TOTE Peach
- ASADO SWEATER Peach
- GLENWOOD LEGGING Peach
- WINTER WARMER SET Peach

00:20 / 00:37

peach

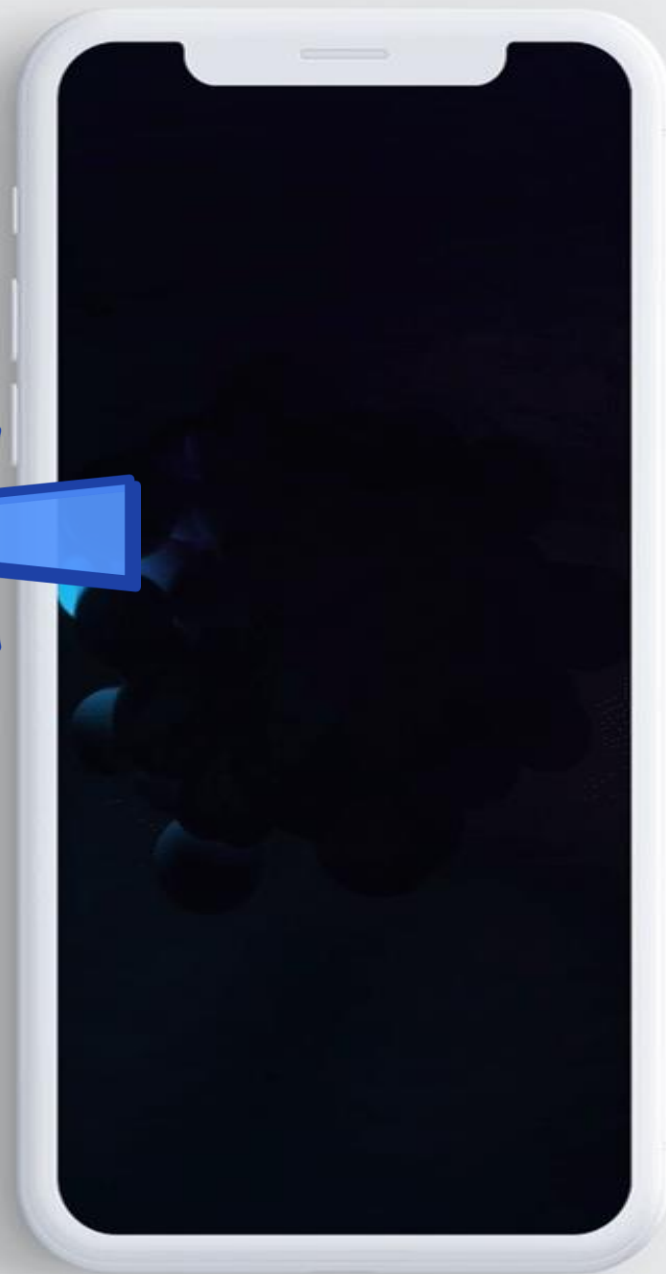
Privacy

mobiquity



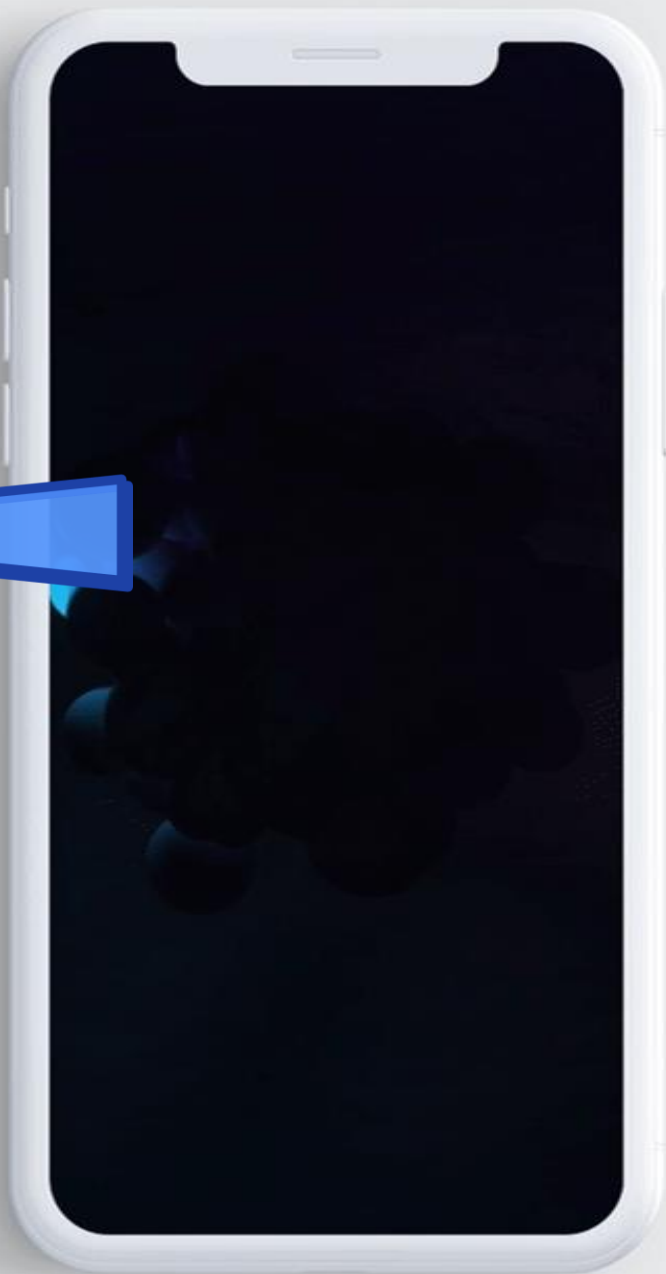
Gear 1 **IGNITION**: LIVE FOOD COMMERCE

A screenshot of the whatnot.com website. The browser address bar shows "whatnot.com". The website header includes the "whatnot" logo, navigation links for "About", "Careers", "Account", and a search icon. The main content area features the headline "Buy, Sell, Go Live!" with buttons for "Apple" and "Android" app downloads. Below this is a collage of mobile app screens showing various trading card listings, including a Charizard card, and a live auction interface with a bid of \$108. A "Help" button is visible in the bottom right corner of the screenshot.



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Gear 1 **IGNITION**: SHARING IS CARING



拼多多
3亿人都在拼的购物App

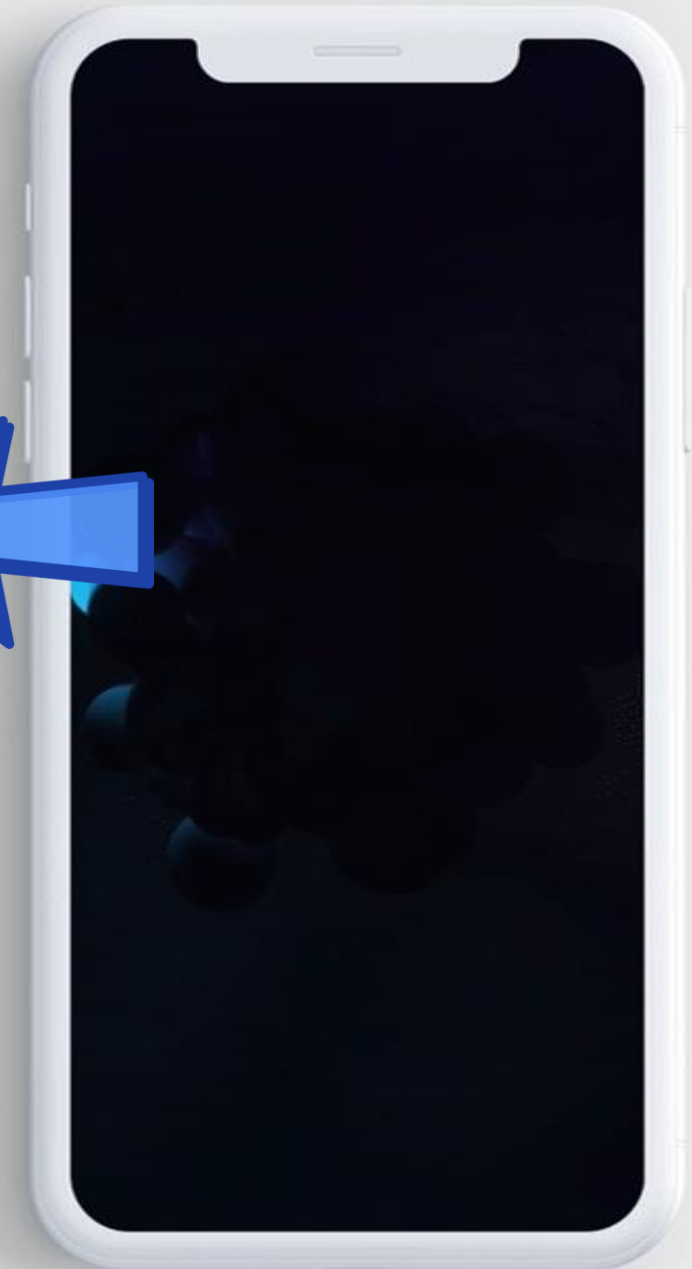
新人专享
888元红包

— 折扣专区 —
九块九特卖

— 限时秒杀 —
限量1元起

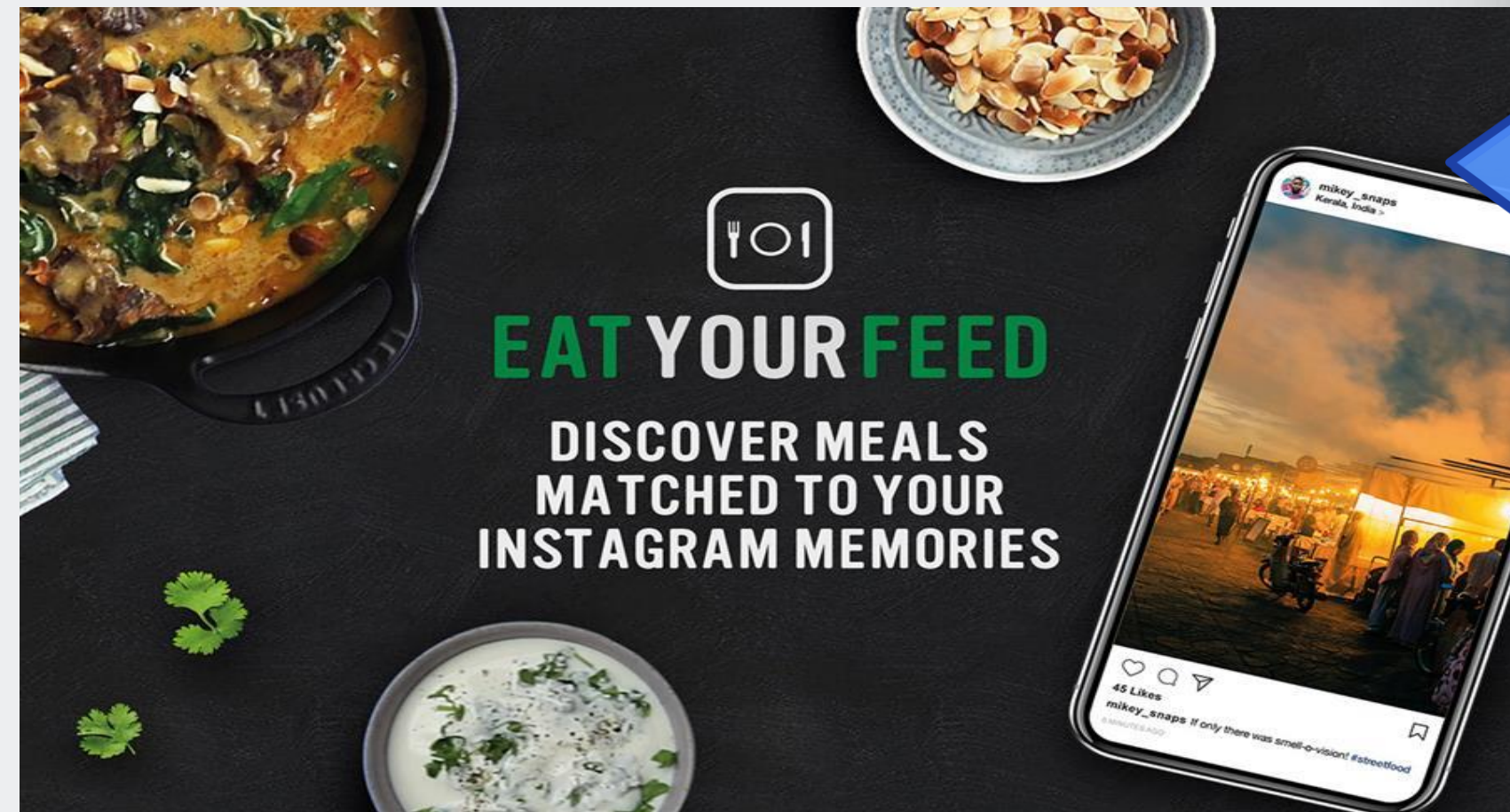
— 抢到手软 —
冬季上新


Gear 1 **IGNITION**: SHARING IS CARING



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Gear 1 **IGNITION**: TELL ME WHAT TO MAKE





EAT YOUR FEED

DISCOVER MEALS
MATCHED TO YOUR
INSTAGRAM MEMORIES

mikey_snaps
Kerala, India

45 Likes
mikey_snaps If only there was smell-o-vision! #streetfood
5 MINUTES AGO

The advertisement features a dark background with several food items: a bowl of yellow curry with green herbs and almonds, a plate of sliced almonds, a bowl of white rice with green herbs, and some fresh cilantro leaves. A smartphone is shown displaying an Instagram post from 'mikey_snaps' in Kerala, India, which has 45 likes and a caption that reads 'If only there was smell-o-vision! #streetfood'. The post shows a street food stall at night with people and a motorcycle. A blue arrow points from the smartphone in the advertisement towards the larger smartphone on the right.



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Gear 1 **IGNITION**: TELL ME WHAT TO MAKE

PixFood™

PixFood just found a recipe suggestion for you!






By using advanced photo recognition and complex machine learning, PixFood gives you tailored suggestions on what to cook next.

Add allergies and diet preferences, to get even more tailored results. The more you use the app, the better suggestions you get!

GET OUR APP  

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Let's look again at the hypothesis for the heavy buyers ...

Creating a more **inspirational,
personal and **fun** online grocery
shopping experience trip will create
exponential growth**

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Our **theoretic** assumption is ...

Let all HEAVY buyers buy 1 extra product [EUR 2] per trip

8 core countries: BE, NL, DE, IT, RU, CZ & PL

Based on  calculations

+ EUR 1.052.000.000 py

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What IF you want to start tomorrow?



People



Process



Platform

What IF you want to start tomorrow?

Mobiquity's
Digital Traction
Methodology



Process



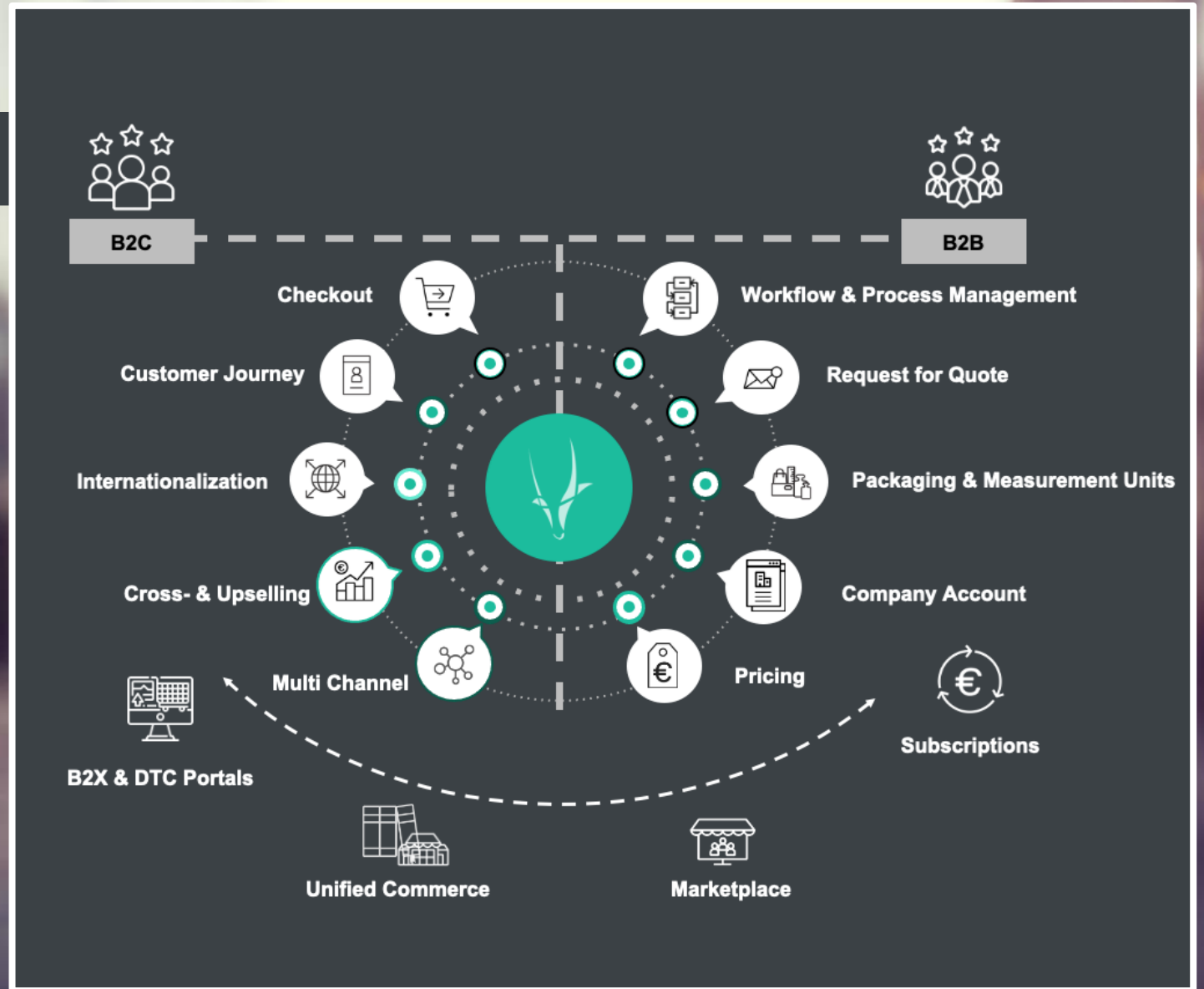
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What IF you want to start tomorrow?



Platform

**Composable
Commerce**

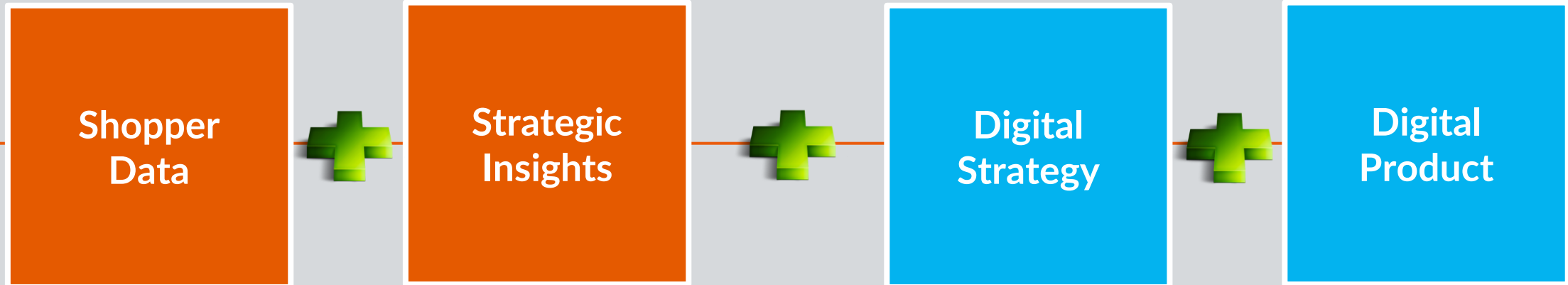




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E-grocery report available 1/12!

Q&A

