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SUPERMARKET NEWS

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2021

**RETAILER
EXPECTATIONS
REPORT**



POSITIVE VIBES

Optimism and confidence abound in our first Retailer Expectations survey, as the industry looks forward to a new year

BY MICHAEL BROWNE

After a turbulent year that saw tremendous highs and lows in the grocery industry — including record-high sales and the explosion of online grocery tempered by the challenges of doing business in the worst public health crisis in more than a century — optimism abounds as we enter 2021, with retailers overwhelmingly expressing confidence and continuing plans for growth.

More than 150 grocery retailers (including brick-and-mortar, online and omnichannel) shared their thoughts and plans for 2021 in *Supermarket News'* first Retailer Expectations Survey, covering such topics as the economy, sales projections, store count and hiring and, of course, the impact of COVID-19 as we get closer to the one-year mark since the pandemic first struck the United States.

Although our survey was fielded in November before the announcements of a successful coronavirus vaccine, retailers were already feeling confident about the coming year. At the time, more than 60% of retailers surveyed said they expected to see a possible vaccine or downturn in cases by the second quarter of 2021. As COVID numbers have surged nationwide throughout November and December, the approval and rollout of a vaccine in

the United States will only help to boost retailer optimism.

More than 65% of retailers expressed that they are extremely or fairly confident in the strength of the overall economy going into 2021. As for grocery sales, the optimism was even higher: When asked how they anticipate sales to perform in the first six months of 2021, 82% of respondents said they expect sales to either stay the same or increase during that time frame, with nearly half (46%) anticipating a sales increase of 1% to 9%.

Retailers were split pretty evenly on the subject of growing store count this year, with 54% planning growth versus 46% not. Still, moderate growth is in the cards for those who plan to open new stores, with 69% of those retailers planning to increase store count by 1% to 5%. Notably, another 25% of respondents plan to grow store count by a more ambitious 6% to 10%.

Hiring will be another area of continued

growth in 2021, following a year in which supermarkets hired tens of thousands of new associates to meet COVID-spurred grocery demand, both in-store and online. More than half of retailers (56%) plan to continue increased hiring in 2021, with the majority of those increasing the number of workers by 1% to 5%.

ACTION PLANS FOR 2021

To maintain the sales lifts that they experienced in 2020 due to COVID-19, grocery retailers will continue to expand many of the initiatives they launched last year as well as introduce more steps to make grocery shopping safer and more convenient for consumers. Top on the list of actions for 2021 are introducing or expanding online grocery/delivery and continuing enhanced safety measures (including masks and PPE, plexiglass partitions, social distancing), cited by 60% and 59% of retailers, respectively.

Other steps retailers plan to take include introducing or expanding curbside pickup (48%); improving supply chain efficiencies (42%); a return to in-store promotions (39%), which many stores and CPG companies halted or limited earlier in the pandemic; expanding fresh offerings (36%); and increasing private label (32%).

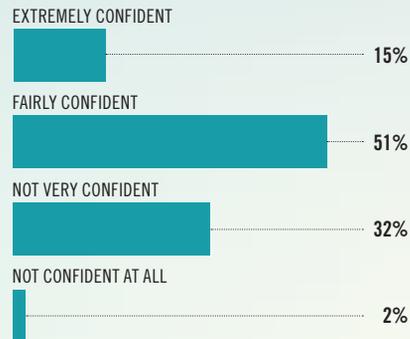
Among individual retailer responses:

- “Focus on the best possible customer

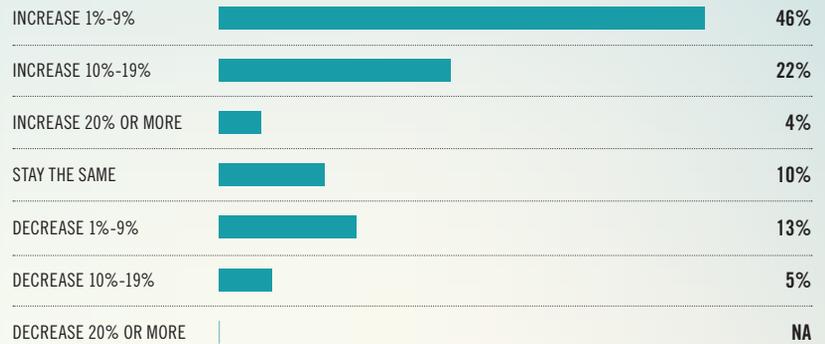
“THE GOAL IS DOING GOOD WORK EVERY DAY.”

SN RETAILER EXPECTATIONS SURVEY 2021

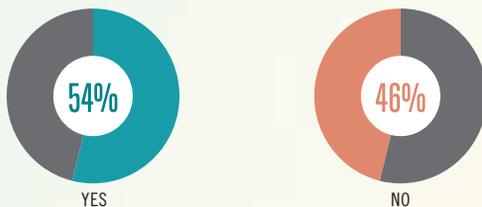
How confident are you in the strength of the economy going into 2021?



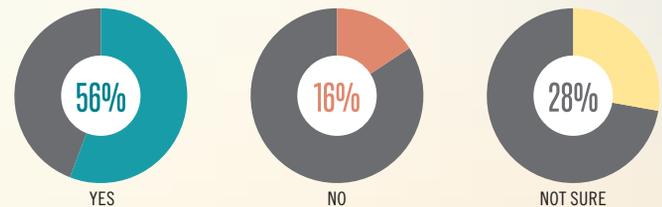
How do you anticipate your sales will perform in the first six months of 2021?



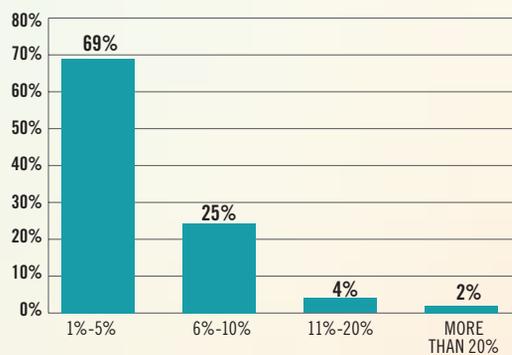
Do you plan to grow store count in 2021?



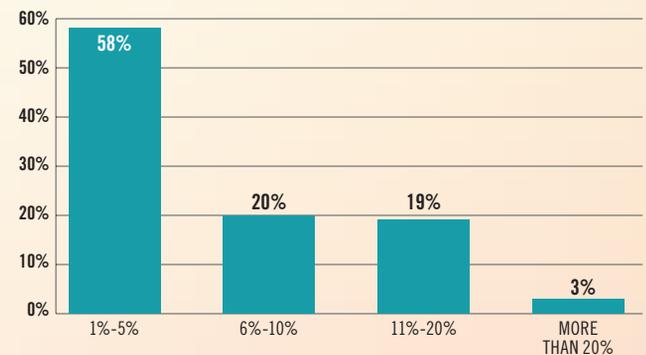
Do you plan to increase hiring in 2021?



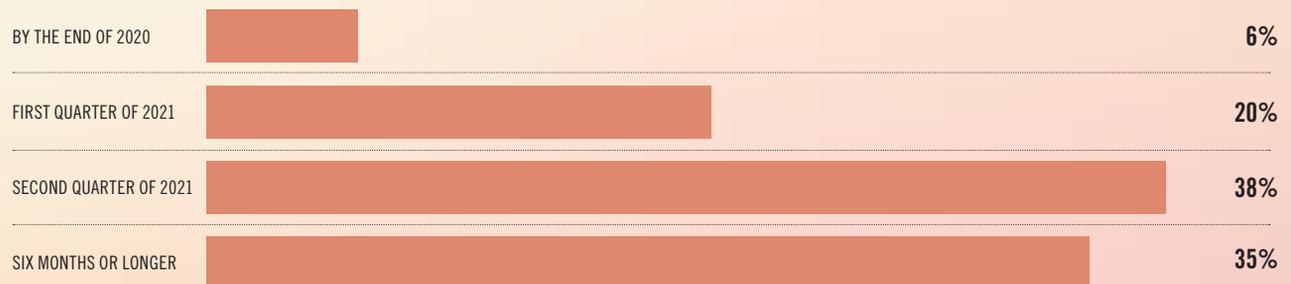
If yes, by what percentage do you plan to grow store count?



If yes, by what percentage do you plan to increase hiring?



Based on the current coronavirus situation, when do you expect to see a downturn in cases? (as of November 2020)



SPECIAL REPORT

service to meet customer needs, which vary based on the customer.”

- “Continue to present new items and promote existing items.”
- “Improve prepared foods offerings, promote sustainability.”
- “Listening to your customers, improve customer service and maintain a high level of inventory. Customers are purchasing larger baskets and decreasing visits. Respect your customers’ time.”
- “Strengthen pickup capabilities, change pricing, redistribute staff effort.”
- “Keep my produce department fresh and full as possible, with a focus on

organic varieties and always keeping the basics in stock.”

THE FOODSERVICE CHALLENGE

When it came to which product categories retailers expect to see the most success with in 2021, fresh produce, meat, center store grocery and frozen were all close at the top of the list; conversely, deli/foodservice and general merchandise were the categories retailers expect to be the most challenging.

Given that deli/foodservice was perhaps the most challenged in-store category during the early part of the pandemic, it’s not surprising that more than half (56%) of retailers say they plan to alter or change

their prepared food menus, with a focus on more grab-and-go and prepackaged items, for example. Another 36% of retailers say they plan to increase their prepared food offerings, while only 3% plan to cut back on prepared foods. Twenty-four percent of retailers have no plans to change their prepared food offering in 2021.

Among other foodservice plans offered by retailers:

- “Customers are requesting more variety in prepared meals, which we are happy to explore.”
- “Increased fresh offerings, meat alternatives, deli, plant-based items.”
- “Custom-prepared full meal offerings.”

SW RETAILER EXPECTATIONS SURVEY 2021

What steps will you take in 2021 to maintain the sales lift during COVID-19? (Select all that apply.)

Introduce or expand online grocery/delivery	60%
Continue enhanced safety measures (masks, plexiglass partitions, social distancing, etc.)	59%
Introduce or expand curbside pickup	48%
Improve supply chain efficiencies	42%
In-store promotions	39%
Expand fresh offerings	36%
Increase private label	32%
Expand health & wellness categories	26%
Increase center store selection	22%
Other	3%

What are your plans for deli/prepared foods in 2021? (Select all that apply.)

ALTER OR CHANGE PREPARED FOODS MENU (I.E., MORE GRAB-AND-GO, PREPACKAGED, ETC.)	56%
INCREASE PREPARED FOODS OFFERING	36%
NO CHANGES TO PREPARED FOODS	24%
CUT BACK PREPARED FOODS OFFERING	3%

What categories do you expect to have the most success with in 2021? (Select all that apply.)

Fresh produce	50%
Fresh meat	46%
Center store grocery	44%
Frozen aisle	42%
General merchandise (including paper goods, cleaning supplies, etc.)	38%
Health & wellness/HBC	37%
Deli/foodservice	33%
Fresh bakery	19%
Dairy	17%

Which categories do you expect to face the most challenges with in 2021? (Select all that apply.)

Deli/foodservice	37%
General merchandise (including paper goods, cleaning supplies, etc.)	30%
Fresh meat	26%
Fresh bakery	25%
Center store grocery	23%
Fresh produce	19%
Health & wellness/HBC	12%
Dairy	10%
Frozen aisle	9%

What percentage of your 2020 sales are online grocery?



What percentage of sales do you expect online grocery to contribute in 2021?



- “We will introduce a range of ready-to-cook, ready-to-heat and ready-to-eat items.”

GROWTH AREAS

Given the explosive growth of online grocery in 2020, retailers are banking on maintaining and expanding on that. In 2020, 18% of retailers say that online grocery made up more than 10% of their sales, which is already an impressive number. But in 2021, almost a third of retailers (30%) say they expect online grocery to make up more than 10% of sales. Among all respondents, 22% said they did not offer online grocery in 2020; for 2021, only 14% say they will not be offering online grocery.

While online grocery may be a retailer’s best friend these days, it can also be his biggest enemy. When asked which retail channel would be the biggest threat to their business in 2021, online retail was the No. 1 response, at 43%, followed by direct-to-consumer online channels at 29%. Rounding out the top five were dollar stores (11%), warehouse clubs (10%) and convenience stores (4%).

Health & wellness is also an area that retailers will be focusing on and investing in. Almost two-thirds of retailers surveyed say they plan to bolster their better-for-you positioning in 2021 in a variety of ways, most significantly by growing/updating assortment (68%) and

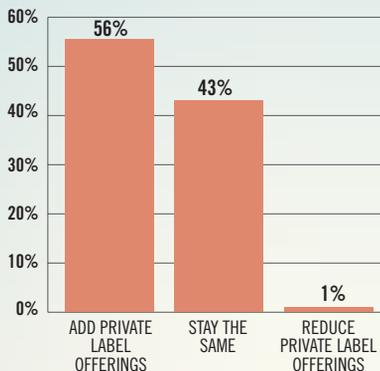
offering new products (64%), including plant-based, CBD, etc.

Beyond business, after a year in which COVID-19, economic distress, racial strife and the environment created a perfect storm of challenges and propelled individuals and companies to take stands, most retailers say that social initiatives will be important to their company in 2021.

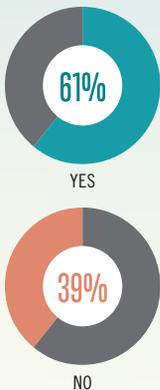
Among the most important are diversity in the workforce (57%), supporting local businesses/suppliers (56%), sustainability (55%), reducing food waste (45%), racial equity and justice (42%) and fighting hunger (35%).

As one retailer told us, the goal is “doing good work every day.” **sn**

What are your plans for private label in 2021?



Do you plan to bolster your health & wellness positioning in 2021?



If yes, how will you bolster your health & wellness positioning?

Growing/updating assortment	68%
New products (plant-based, CBD, etc.)	64%
Nutrition/shelf tags	31%
Enhanced pharmacy services	31%
Access to a dietitian	11%
Nutrition and exercise program	11%
Fee- or subscription-based wellness program	11%
Other	3%

Which of the following social initiatives will be important to your company in 2021? (Select all that apply.)



Which of the following categories do you expect to grow in 2021? (Select all that apply.)



What retail channel will be the biggest threat to your business in 2021?

Online retailers	43%
Direct-to-consumer online channels	29%
Dollar stores	11%
Warehouse clubs	10%
Convenience stores	4%
Natural retailers	3%
Drugstores	1%

Which of the following groups will you target your marketing efforts most heavily on in 2021?



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2021 Retailer Expectations

OVERVIEW

- Investigation conducted exclusively for *Supermarket News*.
- Methodology, data collection and analysis by Informa Engage Research, the research arm of Informa, parent company of *Supermarket News*.
- Data collected October 27 through November 19, 2020.
- Methodology conforms to accepted marketing research methods, practices and procedures.

METHODOLOGY

- On October 27, 2020, Informa Engage Research emailed invitations to participate in an online survey to subscribers of *Supermarket News*.
- By November 19, 2020, Informa Engage Research had received 438 usable surveys.

RESPONSE MOTIVATION

- To encourage prompt response and increase the response rate overall, the following marketing research techniques were used:
 - A live link was included in the e-mail invitation to route respondents directly to the online survey.
 - Reminder emails were sent to non-respondents on November 2 and 16, 2020.
 - The invitations and survey were branded with the property name and logo of *Supermarket News* in an effort to capitalize on subscriber brand affinity.

informa engage

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OBJECTIVES & METHODOLOGY

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Q1 Which of the following best describes your company?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
Food retailer (including online)	21%	58%	-	-
Food retailer (brick and mortar only)	8%	23%	-	-
Food wholesaler (including online)	7%	19%	-	-
Manufacturer	25%	-	100%	-
Sales agency/marketing/consulting	22%	-	-	55%
Other	18%	-	-	45%
Respondent Count	438	155	108	175

Base = All respondents

Q2 How many stores do you operate?

	Retail
1-5	27%
6-10	5%
11-25	10%
26-50	5%
51-100	6%
More than 100	47%
Online retail only	1%
Respondent Count	124

Base = Retail respondents only

Q3 How confident are you in the strength of the economy going into 2021?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
Extremely confident	12%	15%	8%	11%
Fairly confident	53%	51%	56%	55%
Not very confident	30%	32%	30%	28%
Not confident at all	5%	2%	6%	7%
Respondent Count	440	154	108	174

Base = All respondents

DATA TABLES

Q4 How do you anticipate your sales will perform in the first six months of 2021?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
Increase 1%-9%	43%	46%	50%	36%
Increase 10%-19%	19%	22%	17%	18%
Increase 20% or more	6%	4%	7%	8%
Stay the same	13%	10%	7%	19%
Decrease 1%-9%	11%	13%	10%	10%
Decrease 10%-19%	5%	5%	5%	4%
Decrease 20% or more	3%	-	5%	4%
Respondent Count	436	153	107	172

Base = All respondents

Q5 Do you plan to grow store count in 2021?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
Yes	44%	54%	48%	32%
No	56%	46%	52%	68%
Respondent Count	402	151	91	157

Base = All respondents

Q6 By what percentage do you plan to grow store count?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
1%-5%	60%	69%	50%	56%
6%-10%	21%	25%	16%	18%
11%-20%	10%	4%	16%	16%
More than 20%	9%	2%	18%	10%
Respondent Count	176	81	44	50

Base = Respondents planning to grow store count in 2021

DATA TABLES

Q7 Do you plan to increase hiring in 2021?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
Yes	45%	56%	37%	40%
No	26%	16%	26%	35%
Not sure	29%	28%	37%	25%
Respondent Count	428	154	103	167

Base = All respondents

Q8 By what percentage do you plan to grow head count?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
1%-5%	60%	58%	66%	60%
6%-10%	23%	20%	21%	30%
11%-20%	12%	19%	11%	4%
More than 20%	5%	3%	3%	6%
Respondent Count	193	86	38	67

Base = Respondents planning to expand head count in 2021

Q9 Based on the current coronavirus situation, when do you expect to see a possible vaccine or downturn in cases?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
By the end of 2020	8%	6%	5%	10%
First quarter of 2021	24%	20%	30%	23%
Second quarter of 2021	37%	38%	34%	39%
Six months or longer	31%	35%	31%	28%
Respondent Count	438	154	108	172

Base = All respondents

DATA TABLES

Q10 What steps will you take in 2021 to maintain the sales lift during COVID-19?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
Continue enhanced safety measures (masks, plexiglass partitions, social distancing, etc.)	43%	59%	31%	34%
Improve supply chain efficiencies	41%	42%	41%	40%
Introduce or expand online grocery/delivery	38%	60%	16%	28%
In-store promotions	31%	39%	25%	26%
Introduce or expand curbside pickup	30%	48%	8%	26%
Expand fresh offerings	23%	36%	8%	19%
Expand health & wellness categories	22%	26%	15%	22%
Increase private label	22%	32%	15%	16%
Increase center store selection	13%	22%	4%	9%
Other	10%	3%	10%	17%
Respondent Count	398	153	91	150

Base = All respondents

Percentages may reflect multiple answers

Q11 Please elaborate on steps you will take to maintain or improve sales in 2021:

- Listening to your customers, improve customer service and maintain a high level of inventory. Customers are purchasing larger baskets and decreasing visits. Respect your customers time.
- Our focus unfortunately does not involve any digital / eCommerce topics. Tightening up operations is the goal of the leadership
- strengthen pickup capabilities, change pricing, redistribute staff effort
- We will remain Customer-centric and stay nimble in adjusting to their evolving needs
- All initiatives are a continuation of the 2020 agenda which was developed to offset the impacts of COVID-19
- cheaper prices
- Digital advertising
- encourage and market for customer loyalty and improve service continually.
- Expand assortment of disinfectant wipes/sprays, plan pallet assortments of toilet tissue & paper towels.
- Improve in-house packaged Prep to compensate for loss of salad and hot bars. Figure out deposit system on re-usable containers like Burger King is doing to improve sustainability.
- In order to increase customer spend, I will make more bigger pack product(value pack & volume pack etc.)
- Increase customer service levels, extra staff training programs, enhanced safety procedures.
- Keep my produce department fresh and full as possible, with a focus on Organic varieties and always keeping the basics in stock.
- Not sure yet, it depends on what happens
- Stay safe
- The plan is to do all of the above while introducing disruptive technology to grocery retail.
- we are going to expand the fresh categories, expand online and home delivery
- we have a low presence at this time and need to increase
- We plan to increase the number of plant-based options, as our market indicators suggest huge growth over the next 12 quarters.
- All necessary
- Develop back up suppliers.
- New item introduction
- New products and programs
- Work/Life balance for team members.
- Add new product

DATA TABLES

- Adding new packaging line to increase output to adjust for increased sales and demand.
- Additional focus on this category with expanded sku count
- As a manufacturer of shelf stable goods, the pandemic buying pushed demand higher than our total production output. As such we paused all promotions. As we make strides in adding new production equipment/processes so we can meet our demand, we will add back promoting so we can maintain the gains we realized.
- Capital investment to increase production to meet consumer demand.
- Continue to acquire essential businesses
- Create new meal kit solutions with new retail partners
- Customer service!
- Deliver what we promise to our retailers.
- Enter new markets, expand number of channels
- Focus on safety first
- Greater collaboration with Grocers
- Grow distribution by adding more accounts. Promoting more via ecommerce, social media.
- I will wait to answer until the U.S. political landscape is determined in November 2020.
- Improving or eliminating labor production issues if possible, providing opportunity to promote on those items we have inventory and no supply issues, continue to take safety measures internally and externally.
- Increased promotional activity & E-Commerce
- Increasing e-commerce distribution, sales tools and digital media
- Innovate to the changing market and consumer demographic
- innovation and sku rat
- In-Store and on-line promotions
- Introduce our food products to more regional outlets.
- launch innovation support various marketing programs to keep folks using our products in their home cooking
- Make in stock a priority
- Make sure we have product available to sell. Offer consumers discount through promotion activity. Increase on line sales; improving imaging and product attributes.
- Maximize product offerings to be the most efficient.
- More inventory and additional suppliers for ingredients planned for 2021.
- New and innovative products
- New Products
- new skus each quarter
- Our biggest issue has been supply chain and product availability. Our sales are up vs YA, but our market share is suffering because competition has product and we do not. We are working on shoring up our plants and running lines 24/7.
- Package refresh, multi pack introduction.
- Schedule more sales trips to meet buyers in person once again.
- Solid supply chain, increase fulfillment efficiency, faster order turnaround, increase brand visibility
- Supply Chain Demands and Forecasting
- sustain as much as possible the value chain
- The challenge of 2021 is to evaluate sales experienced in the end of Q2, 2020 and the beginning of Q3. Why ? You will be comparing panic buying results of 2020. The results for 2021 will dip and then hopefully rebound. The ability to supply will still be very important and ability to attract and maintain labor counts will be important to maintain and improve sales.
- We will seek more customers but we know the sales per customer will be low
- Will continue to innovate and invest in retailers/channels that are strategic and growing
- Being in the construction industry, our customer are expanding curbside pickup at almost every box store location.
- Complete introduction of fresh in our Retail division. Add to distribution network on our Wholesale Division.
- Create joint ventures to externalize innovation and reduce risk while improving service
- Currently Build 5 Million Foot Sustainable Food and Beverage Sustainable Food Production Facility to Grow Hydroponic and AquaPonic Organic and Kosher Foods for Food Service and Retail Nationwide.
- Extensive Corona Virus Research!
- Grow sales in current sales through informational demos; Increase traditional marketing
- Have cleaner stores customer service
- Improved Social Media Marketing / Easyfresh trademark promotion
- Increase visibility in-store
- Keep sales force focused on generating revenue as partners with the chain

DATA TABLES

- maintain safety measures, more online updates with customers to keep them updated on current conditions and new ideas.
- Our website is of great assistance to all consumers and markets.
- People won't feel safe until this completely passes, thus, curbside and delivery is the best option.
- Present new maintenance programs and procedures to customers
- promote value, mindful spending, respect environment
- Promotion of healthy products, immunity-building diet regimens
- Provide options for at risk consumers, but focus on the 90% of transactions that happen at brick and mortar - solid promotions featuring value, customer service focus, anticipating purchasing patterns based on environment, and providing a safe shopping experience.
- Reduce out of stocks, increase private label offering, increase supply chain resilience and safety (reduce covid contamination risks)
- Walking at work when COVID 19 is still happening right now
- work with tenant to help them survive.
- Advertise beyond past trade areas. Simplify pickup service. Promote product promotion via recommendations during online shopping.
- Aggressive Pricing and Promotions
- as per above question
- Continue to depend on CDC guidelines, while increasing ability to get products to customers and increase frequency of promotions.
- Continue to follow CDC recommendations and keep current ones in place.
- Continue to implement programs that have been successful in 2020.
- Continue work-related travel ban, continue work from home mandate, continue virtual sales meetings and webinars/ virtual learning, increase health & wellness awareness
- Cross promote ingredient items to grow basket size
- Decrease out of stock on center store
- Deeper promotions. More in store WOW events/features/promotions all tied in around meal planning and loyalty programming. Trying to address customer "recipe burnout" with exciting and easy to prepare meals. Including all three courses for dinner for a family of 4-6 people.
- Email and phone campaigns and online buying platform such as Rangeme presence.
- Focus on healthful benefits of fresh...the products we sell.
- Get rid of D. Trump.
- Grow online ecommerce and local retail delivery
- I am in marketing. Trust and safety is everything.
- Increased marketing
- Innovation and Sustainability - Clean Sanitize and Protect - Home and Away. The New Normal, Post Covid, will change EVERYTHING.
- Just try to reassure people that we are "safe"
- .
- Keep customer first
- More contact with existing and more direct line approach with new or non existing customers
- production needs to catch up with demand. I would focus more resources again core items and less against fringe items and innovation
- There are few different startups , should be profitable by first quarter 2021.
- Think outside the box--Things have changed and we are not going back to where we were. People are going to continue to work from home. People are going to move out of the big cities. people are not going to attend sporting events at the same level as before and much more is going to revolve around the family and the home. As a result home delivery will get bigger. Retail Brick and Mortar will go away since you don't need to dress up to go to work. We won't need as many cars since we won't drive to work and there will be less pay but the cost of living could decline. We will develop products that help the consumer in convenience and space. There will be more done away from the home as far as preparation of some products.
- up in the air until the election
- With Customers trying to manage through Covid, the situation is very dynamic. We as a Broker want to continue to focus on the Supply chain to ensure as few out of stock as possible, but we are suggesting that our vendors increase their Promotional frequency and levels where possible.
- work diligently to ensure we can produce and supply on time. This is presently a major challenge. Once we overcome this challenge, we will supply more innovative products to

DATA TABLES

meet the demands of the discriminating consumer.

- Improve supply chain, optimize efficiency on the sales sites, improve communication with employees and customers

Q12 What are your plans for deli/prepared foods in 2021?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
Increase prepared foods offering	30%	36%	21%	28%
Alter or change prepared foods menu (i.e., more grab and go, prepackaged, etc.)	38%	56%	16%	28%
Cut back prepared foods offering	4%	3%	4%	6%
No changes to deli/prepared foods	41%	24%	69%	48%
Respondent Count	333	143	67	120

Base = All respondents

Percentages may reflect multiple answers

Q13 Please elaborate on your plans for prepared foods in 2021:

- Custom prepared full meal offerings.
- Customers are requesting more variety in prepared meals which we are happy to explore
- Expand pre-package options
- Have to wait and see. Hope our country doesn't go to the dogs
- we've already done it
- Kroger announced ClusterTruck ghost kitchens for some of its stores
- we are focusing on meal kits and ready made meals.
- we don't have delis
- we plan on opening a ghost kitchen to service this sector
- We will introduce RTC(ready to cook), RTE, RTH range
- will not be selling any
- Increased fresh offerings, meat alternatives, deli, plant-based items.
- more covid-friendly options; leveraging technology (app; 3rd party, etc)
- Much will depend on severity/length of covid pandemic
- Not applicable to our business
- am manufacturer of paper products only
- Introduce SugarLike sugar free sweeteners
- Not applicable. We sell greeting cards, books & Calendars.
- Special introduction offerings in seafood and sauces
- We have been working on prepared food products for the past year and a half, and are close to a go-to-market launch.
- Do not handle prepared foods
- Healthy Healthy....Vegetarian! American eating is transformational, focusing on health and wellness! Consumers are more enlightened and very willing to buy plant based foods... ..this is NOT only for vegetarians!
- None open up more hands on fresh food
- people are choosing this as they are less likely to go out to restaurants.
- Replace self-service merchandisers with service or prepackaged merchandisers
- Continue to try new ideas and options.
- Convenience will rule -- plus safety does not apply to my business
- Drop ship or direct delivery
- Focus on snack packs.
- Increase selections on prepared food
- Increase variety
- introducing new consumer friendly and safe products
- Less processed foods
- minimize person to person contact

DATA TABLES

- More convenience offerings to meet the demands of the changing consumer.
- Offer increased variety of healthy grab and go
- Remerchandise store to eliminate self-serve bars. Replace them with grab & go and/or service bars.
- Standardize daily menu items for each day of the week with multiple high movement items.
- Tie in all departments to create easy to prepare family meals. Can be grab & go or easy to prepare at home.
- We would like to increase our deli lines to be able to offer Retailer more choices.

Q14 What categories do you expect to have the most success with in 2021?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
Fresh produce	40%	50%	16%	44%
Center store grocery	38%	44%	37%	32%
Health & wellness/HBC	36%	37%	31%	38%
Frozen aisle	35%	42%	32%	31%
Fresh meat	33%	46%	21%	29%
General merchandise (including paper goods, cleaning supplies, etc.)	33%	38%	27%	32%
Deli-foodservice	26%	33%	16%	26%
Fresh bakery	19%	19%	16%	20%
Dairy	15%	17%	12%	15%
Respondent Count	389	152	91	141

Base = All respondents

Percentages may reflect multiple answers

Q15 Which categories do you expect to face the most challenges with in 2021?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
Deli-foodservice	36%	37%	35%	34%
Center store grocery	24%	23%	19%	28%
Fresh meat	24%	26%	25%	21%
Fresh bakery	23%	25%	24%	19%
General merchandise (including paper goods, cleaning supplies, etc.)	21%	30%	13%	16%
Fresh produce	18%	19%	15%	21%
Dairy	12%	10%	16%	10%
Health & wellness/HBC	12%	12%	13%	12%
Frozen aisle	9%	9%	9%	10%
Respondent Count	363	145	80	134

Base = All respondents

Percentages may reflect multiple answers

DATA TABLES

Q16 What percentage of your 2020 sales are online grocery?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
1-5%	30%	39%	37%	17%
6 -10%	19%	20%	14%	20%
More than 10%	16%	18%	11%	17%
Don't offer online grocery	35%	22%	39%	46%
Respondent Count	387	152	95	136

Base = All respondents

Q17 What percentage of sales do you expect online grocery to contribute in 2021?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
1-5%	17%	24%	16%	10%
6 -10%	24%	30%	22%	19%
More than 10%	31%	31%	28%	31%
Won't offer online grocery in 2021	28%	14%	34%	39%
Respondent Count	379	145	93	137

Base = All respondents

Q18 What are your plans for private label in 2021?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
Add private label offerings	44%	56%	34%	36%
Reduce private label offerings	2%	1%	5%	2%
Stay the same	54%	43%	61%	62%
Respondent Count	374	150	88	132

Base = All respondents

Q19 Do you plan to bolster your health & wellness positioning in 2021?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
Yes	58%	61%	48%	60%
No	42%	39%	52%	40%
Respondent Count	378	150	87	136

Base = All respondents

DATA TABLES

Q20 How will you bolster your health & wellness positioning?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
Growing/updating assortment	63%	68%	64%	55%
New products (plant-based, CBD, etc.)	55%	64%	52%	45%
Nutrition/shelf tags	30%	31%	31%	28%
Enhanced pharmacy services	20%	31%	5%	15%
Access to a dietitian	14%	11%	10%	22%
Nutrition and exercise program	14%	11%	10%	21%
Fee- or subscription-based wellness program	10%	11%	10%	9%
Other	6%	3%	5%	10%
Respondent Count	214	90	42	78

Base = All respondents

Percentages may reflect multiple answers

Q21 Which of the following categories do you expect to grow in 2021?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
Plant-based alternatives	53%	57%	49%	50%
Private label	43%	50%	43%	34%
CBD	31%	31%	30%	33%
Vitamins/supplements	31%	34%	27%	32%
Multicultural/international products	24%	30%	16%	21%
Pet food and supplies	18%	22%	16%	14%
Don't expect any of these categories to grow in 2021	12%	6%	18%	16%
Respondent Count	362	143	83	132

Base = All respondents

Percentages may reflect multiple answers

Q22 What retail channel will be the biggest threat to your business in 2021?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
Online retailers	39%	43%	38%	34%
Warehouse clubs	12%	10%	12%	14%
Dollar stores	11%	11%	10%	12%
Natural retailers	5%	3%	4%	8%
Convenience stores	3%	4%	4%	1%
Drugstores	1%	1%	-	1%
Direct-to-consumer online channels	30%	29%	32%	30%
Respondent Count	338	142	69	122

Base = All respondents

DATA TABLES

Q23 Which of the following groups will you target your marketing efforts most heavily on in 2021?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
Millennials	26%	32%	25%	21%
Females in general	20%	18%	25%	21%
Multicultural customers (Hispanic/LatinX, Black, Asian, etc.)	15%	13%	15%	17%
Health & wellness/natural shoppers	14%	12%	17%	16%
Baby Boomers	9%	9%	7%	9%
Gen X	8%	9%	5%	9%
Gen Z	5%	5%	5%	5%
Males in general	2%	2%	1%	3%
Respondent Count	332	130	81	117

Base = All respondents

Q24 Which of the following social initiatives will be important to your company in 2021?

	All respondents	Retail or wholesale	Manufacturer	Sales agency/ marketing/ consulting/ other
Sustainability	55%	55%	64%	48%
Supporting local businesses/suppliers	48%	56%	35%	46%
Diversity in the workforce	43%	57%	40%	28%
Reducing food waste	43%	45%	38%	43%
Racial equity and justice	34%	42%	30%	28%
Fighting hunger	30%	35%	20%	32%
Other	4%	1%	2%	7%
Respondent Count	355	144	81	127

Base = All respondents

Percentages may reflect multiple answers