

## Grocery shopping goes back to the future

Consumer technology is bringing personalization and convenience back to the forefront of the shopping experience.



### Then

#### The Early Days

Consumers could walk into the local general store and hand over their lists to attendants who would navigate through the maze of aisles and shelves, quickly filling orders.



#### 1916

The first self-serve grocery store opens in Memphis, TN. The innovative concept made consumers the shopping experts, self-selecting products and personally presenting them to checkout clerks.



## Now

As digital grocery shoppers proliferate, grocery merchants will increasingly look to create ecommerce experiences to develop and maintain brand loyalty and grow market share.

## eGrocery shopping is growing at an accelerated pace



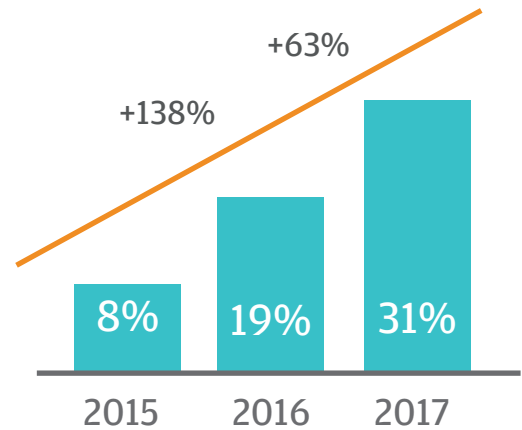
**1 in 3**

consumers will order groceries online in 2017



**53%**

of consumers digitally engage in the food experience (browse, shop, make)



### 2015-2017 eGrocery Adoption

"The number of U.S. shoppers who buy groceries online will grow by more than 60% this coming year." *Source: Unata's 2017 Grocery*

## The Shift Toward Omnichannel Continues:

### Rise of Grocery eCommerce



Delivery



Curbside Pickup

68% of consumers who shopped online said they were likely to switch grocers for a better online experience

### Enhanced In-Store Shopping



One Stop Shop



In-Store sales still make up 94% of total Grocery sales

### Personalized Experiences



Rewards/ Loyalty



Meal Subscriptions

Assortment (76%), convenience (71%) and personalization (61%) are top motivators for shopping online

## Evolving customer expectations have placed mobile at the center of the shopping experience.



**30%**

of all online grocery orders are currently influenced by mobile



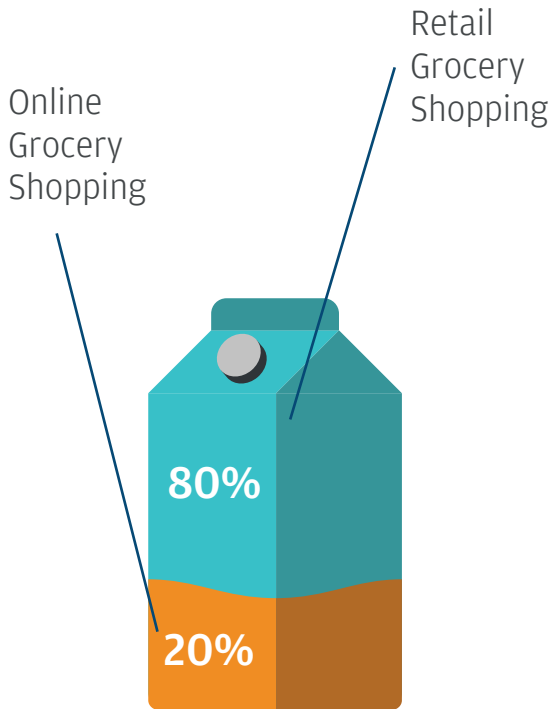
**43%**

of Millennials use a mobile app to shop for grocery

### Beyond:

Within the next 10 years Grocery will come online faster than any other industry.

## BY 2025: A projected 20% of all grocery sales will be online



=100B+ or the equivalent of sales from nearly 3,900 grocery stores

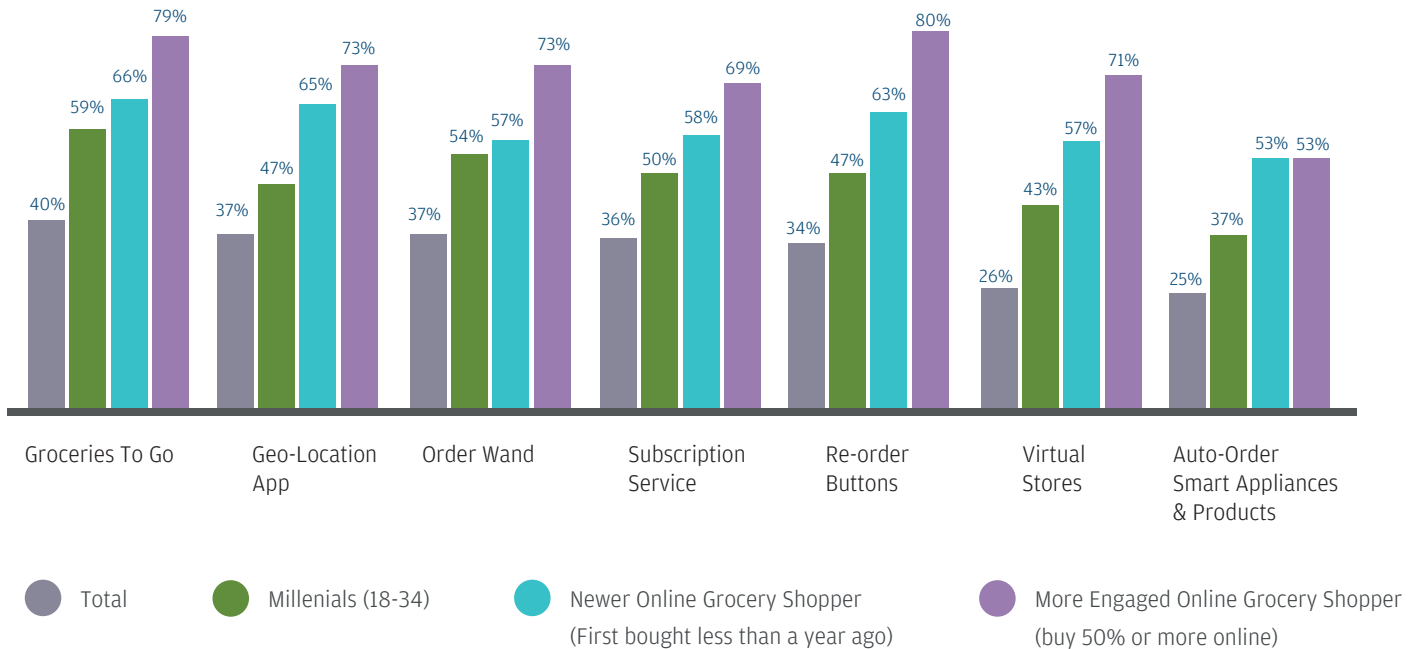
**40%**

of center store volume expected to shift to online; fresh food perimeter could follow



## Technology Is Transforming Grocery Shopping

As younger generations become primary grocery buyers, more digital demand is expected



## The grocery landscape will continue to evolve

As more opportunities and challenges arise, grocers must ensure they have the right partners to win in the marketplace. Taking into account past and parallel lessons could make all the difference in realizing successful outcomes. If you are interested in learning more about J.P. Morgan's perspectives on grocery, please reach out to your Merchant Services contact.

Sources:

Unata, 2017 Grocery eCommerce Forecast

Nielsen and FMI, The Digitally Engaged Food Shopper

Fung Global Retail & Tech, DEEP DIVE: Online Grocery Series, Fierce Retail

Jim Dudlicek "Past the Tipping Point," Progressive Grocer, June 27, 2017

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