



## Trends and Disruption in the Supermarket Industry

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# About the National Grocers Association

- **NGA is a national trade association with nearly 1500 members representing the retail and wholesale grocers that comprise the independent supermarket industry.**
- **NGA's mission is to ensure independent, community-focused retailers and wholesalers the opportunity to succeed and better serve the consumer through its policies, advocacy programs and services.**



THE VOICE OF THE ***INDEPENDENT***  
SUPERMARKET INDUSTRY



# Presentation Outline

- **What is an Independent Grocer?**
- **Supermarket Disruption and Trends**
- **How Independent Grocers Are Responding**
- **Q&A**



# What is an Independent Grocer?

- Independent grocers operate a **variety of formats** and are defined not by size, but by **ownership**.
- Independents are **privately-held** or **family owned** supermarket operators.
- Independents are represented in every state and county across the U.S. and are the **true entrepreneurs** of the industry.
- Independent grocers are the **backbone** of Main Street America.



# Independent Grocers Impact America

**21,000  
stores**

**25%**  
of the retail  
grocery  
industry sales

**\$131  
billion**  
in annual sales

**1%**  
of the United  
States GDP

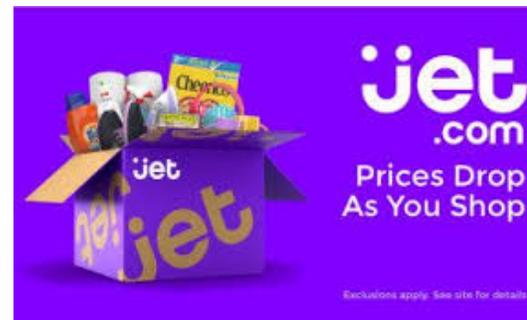
# Supermarket Disruption and Trends



“Retail Will Change More in the  
Next Five Years Than It Has  
Changed in the Last 50...”

Greg Foran, Walmart

# Nature of Competition



# Independents Identify Competition Over the Years

2014	2015	2016	2017
Supercenters	Conventional Supermarkets	Supercenters	Conventional Supermarkets
Conventional Supermarkets	Supercenters	Conventional Supermarkets	Supercenters
Limited Assortment Stores	Limited Assortment Stores	Limited Assortment Stores	Dollar Stores
			Hard Discounters
			Online retailers

Source: NGA/FMS Financial Benchmark Studies

# Framing the realities of U.S. retailing in 2019

NO

**RETAIL  
ARMAGEDDON**

YES

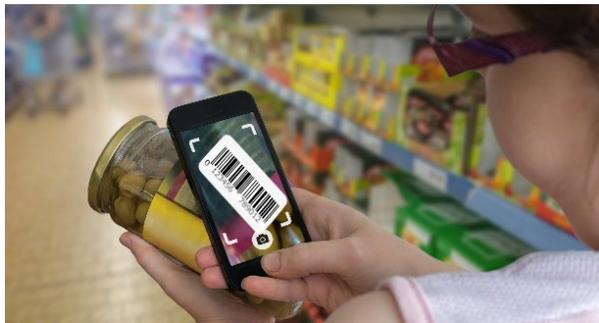
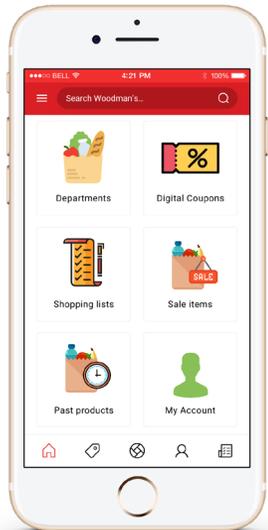
**RETAIL  
METAMORPHOSIS**



*Successful grocery retailers and manufacturers will have to balance and execute Omnichannel flawlessly*

# Industry Trends

- **E-commerce**
- **Transparency**
- **Convenience**
- **Variety & Assortment**
- **Differentiate – But How?**



# Illustrating the buying power of shopper loyalty at Independents

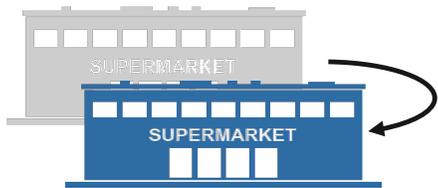
	Independent Shopper (1x+ Shopper)	Independent Shopper w/ 50%+ SOW	Independent Shopper w/ <50% SOW
Share of Wallet of Total Market	13%	69%	11%
Percent of Independent Shoppers	100%	10%	90%
Annual Spend	\$884	\$3,287	\$641
Trips per Household	19.7	52.7	16.5
Dollars per Trip	\$44	\$62	\$38

# Convenience and Price are Top Drivers

*of reasons to shop at Independents*



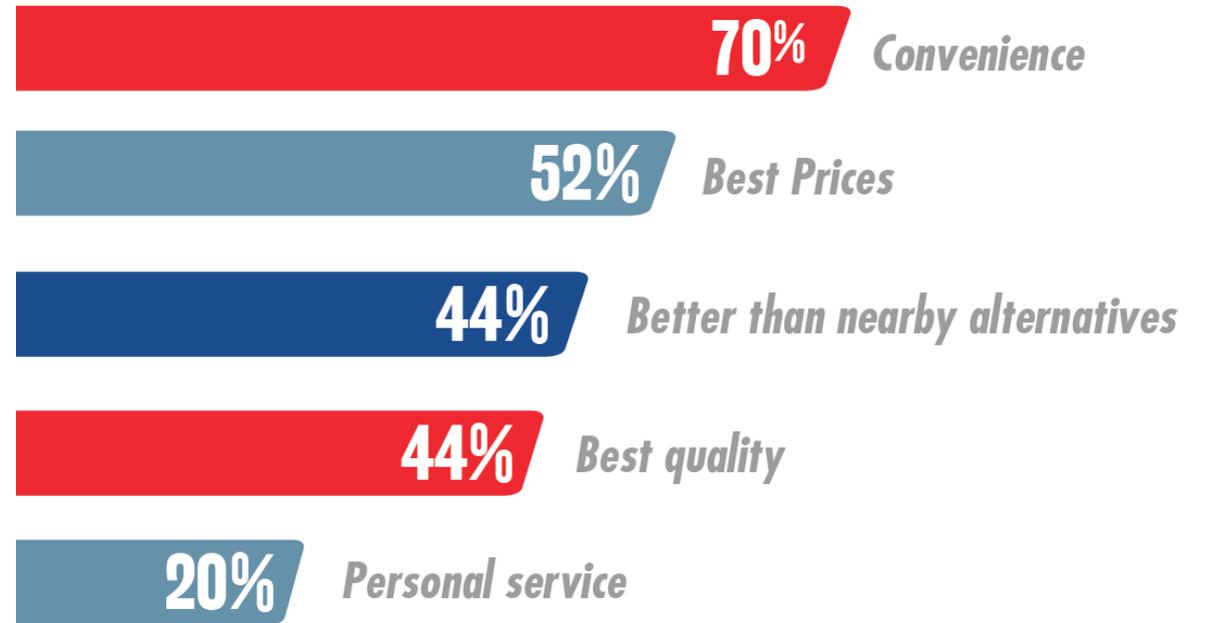
Spend at least  
50% more at an  
**Independent**  
store



**14%**

*Switched to local supermarkets  
in the past 12 months*

## REASONS TO SHOP INDEPENDENTS





# How are Independent Grocers Responding?

# Innovation in Formats, Offerings and Experience



# Format Diversity



# Fresh and Local Offerings



# Shopper Experience – In Store



## ShopRite DIETITIAN PROGRAM

Providing complimentary nutrition services to customers and the community



- One-on-one consultations
- Supermarket tours
- Support groups
- Weight management classes



You Pick,  
We Prep!

# Shopper Experience – Online

**DOWNLOAD  
OUR MOBILE APP  
START SAVING TODAY!**

Ads • Coupons • Recipes • Shopping List

Download on the  
App Store

GET IT ON  
Google Play



# Key Takeaways – Where Independents Win

- ✓ **Fresh, locally sourced perishables**
- ✓ **Delis and bakeries with astounding variety and customized food products**
- ✓ **Superior Customer service – In store and online**
- ✓ **Speed and nimble business approach**



**Thank you and I look forward  
to your questions!**