The Evolving Grocery Store Experience

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Going to the grocery store is no longer about simply purchasing a few items for this week’s meals. Today’s grocery shopper is digitally savvy highly empowered, and demands meaningful experiences where the ‘ME’ in meaningful is key - it is the Era of the Individual. This makes consumers highly empowered even when shopping for groceries that, which unlike apparel or other items, are essential to health and well-being. Food is a basic necessity for any living being. However, as important as it is, grocery shoppers are still demanding meaningful experiences.

Consumers now view grocery shopping as an engaging exercise that extends far beyond purchasing for weekly needs. For instance, consumers expect local and responsible sourcing, organic and vegan options, nutritional and caloric information, and recipe-based and serving-size-based buying options. Basically, customization has become more vital in a world saturated with advertising and brands competing for consumers’ attention.

The demographics of shoppers and their behavior in the grocery store is constantly changing, and consumer goods brands have taken full advantage of technology that communicates directly with consumers before they even enter the store. That said, in-store analytics can help grocers ensure merchandising strategies and assortments are implemented in a way that is most effective and work to drive sales.

In-Store Analytics more important than ever before

There is a pressing need to establish correlations between football movements, aisle traffic and POS transactions, which means promotional effectiveness shouldn’t be analyzed at the end of the promotion cycle. Product sales analysis must include seemingly unrelated categories in order to provide grocers with insight. For example, organic foods consumers may also prefer non-chemical kitchen cleaners, and in-store analytics can help grocers better understand consumer behavior, preference and purchase decisions. The key is in understanding that today’s shopper has evolved from buying products to buying a set of features based on their lifestyles. Understanding the importance of analytics, grocer can:

- Enable fine-grained attribution of data that extends across product, product features and shopper preferences. This will help determine the true attraction and demand for specific product features amongst consumers.
- Explore video analytics where traditional LP (Long Play) cameras are re-imaged to study traffic patterns across the store and the results are presented in the form of easy-to-understand heat maps.
- Invest in digital technologies that reveal relevant information about the product on the shelf.
- Predictive analytics is an opportunity for grocers to have a significant competitive advantage, while also enabling them to understand the right assortments to be featured in the store, and ultimately drive personalized interactions with shoppers.

The Next Step

Americans spent about $338 billion at supermarkets in 2014, according to the Food Marketing Institute. However, the average tab is only about $30 per visit, with customers averaging 1.5 visits per week in 2015. With digital technology advancements, grocers can begin to rethink how analytics can help drive sales by ensuring shoppers can get the things they need without making multiple trips, increasing the amount spent. By understanding shopper behavior, grocers can develop strategies to most effectively market products to consumers.

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