

WHICH GROCERY AND CONVENIENCE RETAILERS ARE CASHING IN ON DIGITAL BEHAVIORS?

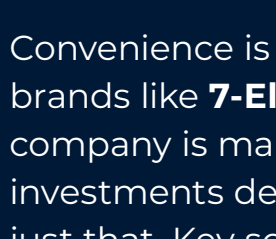
Ecommerce may still be just a small fraction of overall grocery and C-store sales, but the reality is that digital channels are starting to have a big influence on these retailers' customer experience strategies. And because these verticals are relatively early in their digital journeys, that means they are ripe for disruption — and in turn, innovation.



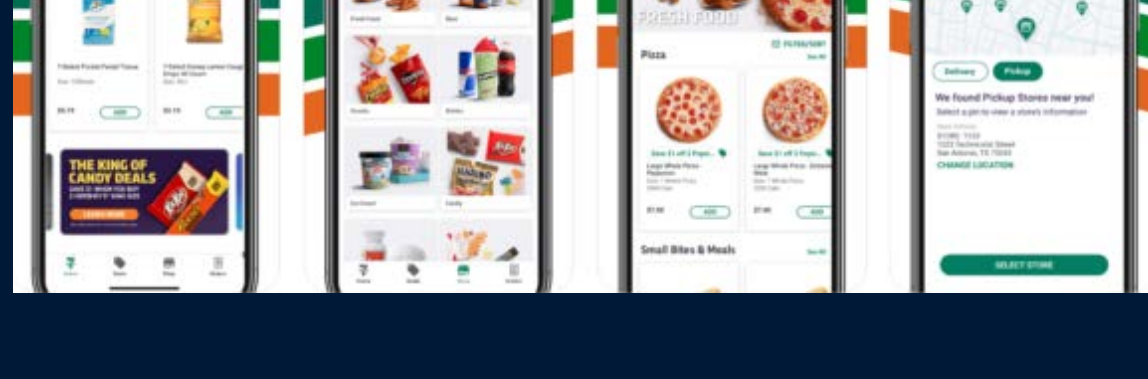
This Hit List will spotlight **five** grocery and C-store retailers that are uncovering new paths to growth by embracing innovative technologies and concepts such as:

- 1 Mobile integration and autonomous checkout
- 2 Same-day and gig delivery models
- 3 Livestreaming
- 4 Retail media optimization
- 5 Next-gen store experiences

01



Convenience is key for brands like **7-Eleven**, and the company is making extensive investments designed to offer just that. Key solutions and services include:



- **The 7NOW delivery app**, which allows consumers to order **3,000-plus** products online — from groceries to over-the-counter medicine to quick-serve food and beverage options — and have them delivered to any public space;
- **Expanded capabilities via 7-Eleven Wallet**, which customers can use to load funds and seamlessly scan and pay for in-store purchases;
- **The 7MD handheld point-of-sale mobile device**, which allows employees to improve ordering, inventory control and the overall checkout experience for customers;
- **Evolution Stores** that tout a combination of new product services and innovative technologies so the 7-Eleven team can identify new opportunities to innovate and differentiate on a larger scale; and
- A partnership with robotics company **Nuro** to launch an autonomous delivery service in California.

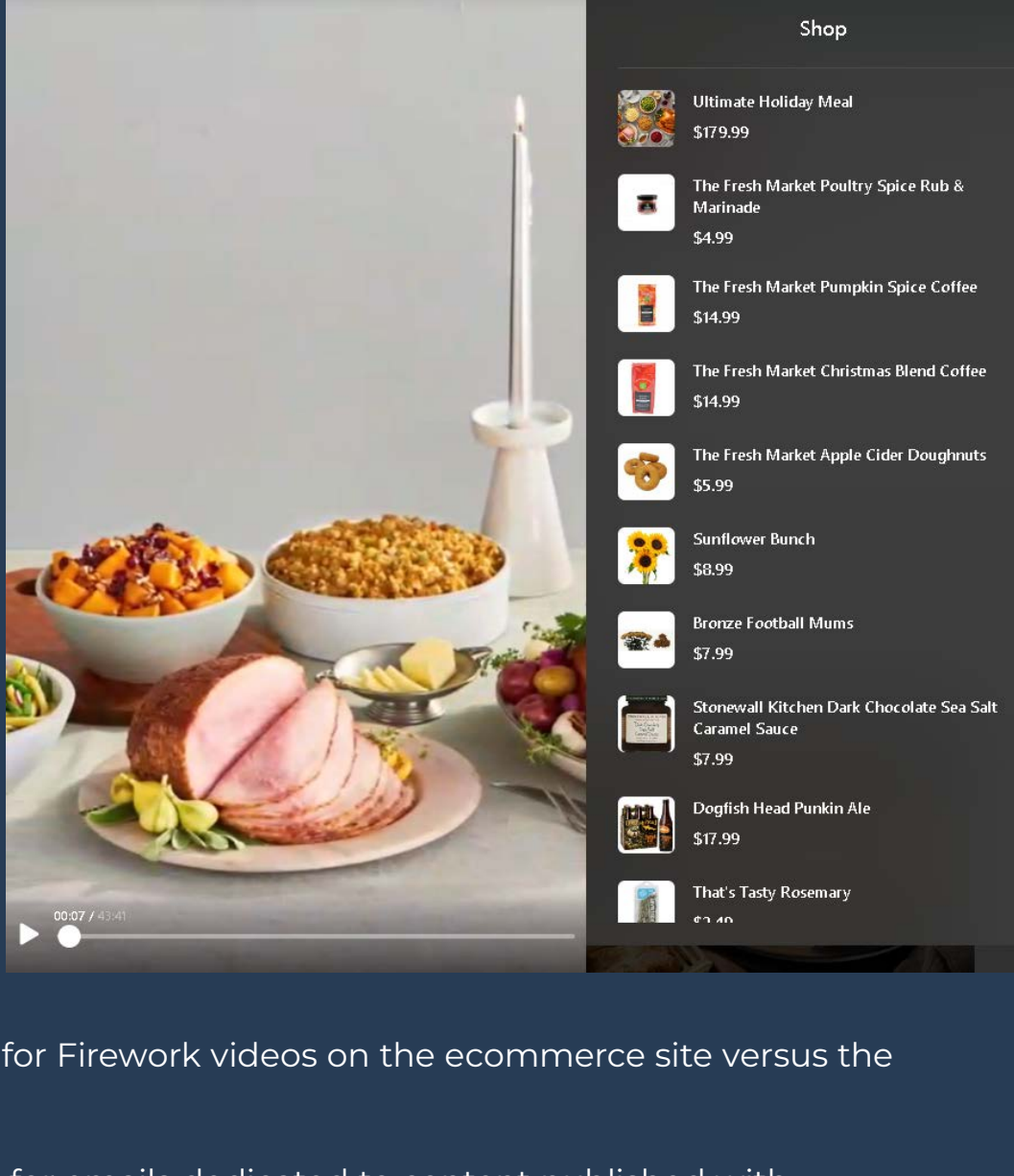
The 7-Eleven research and development division, 7NEXT, was created to be the designated space for exploring new opportunities across digital engagement, customer experience and store design.

02



While many retail and consumer brands are pondering the value of livestreaming, some grocery retailers and food brands already are reaping the benefits of this emerging commerce model. For example, **The Fresh Market** recently surpassed **365** days of total watch time for its short-form shoppable video and live commerce content across all of its owned media channels.

The Fresh Market partnered with **Firework** to launch new shoppable video capabilities and has seen significant results, including:

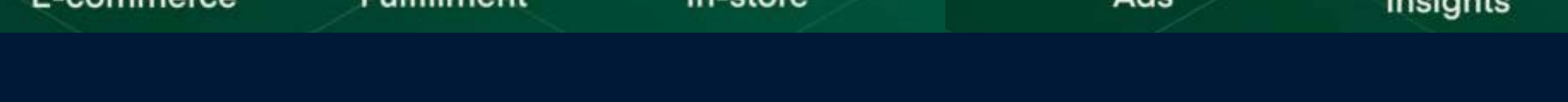


- A **97%** higher conversion rate for Firework videos on the ecommerce site versus the entire sitewide average;
- **47%** higher click-through rate for emails dedicated to content published with Firework; and
- A **double-digit** increase in ad recall and click-through rate for Facebook posts featuring Firework videos versus those without these videos.

As consumers continue to seek authentic and contextual content online, retailers like The Fresh Market can turn recipe videos and tutorials into rich conversion opportunities. Consumers can easily walk through recipes, select items from the shop widget and get more details about products featured.

"A differentiated customer experience has been integral to The Fresh Market's identity since our founding," said Kevin Miller, CMO at The Fresh Market in a statement. "With Firework, we've finally been able to replicate those premium customer experiences in the digital sphere — and based on the response from our customers, it has been a resounding success."

03

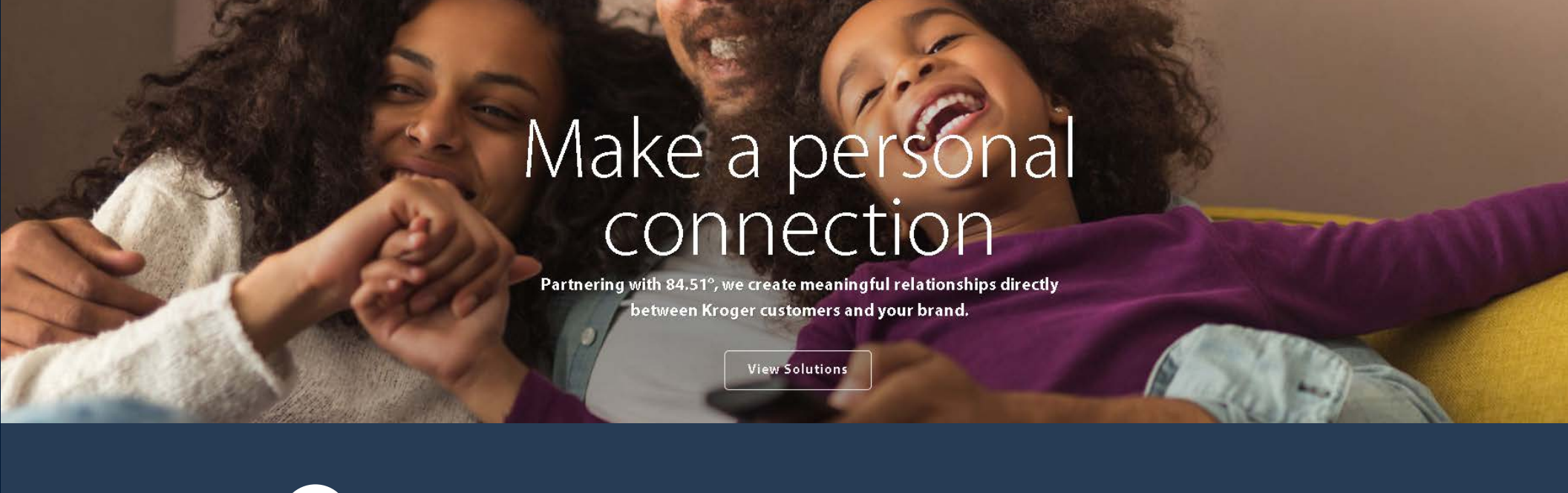


Sure, Instacart isn't *technically* a grocery retailer or a C-store. But the company's stronghold on both verticals is clear — and it will likely become tighter as it expands its suite of technology solutions and services. One of the early players in the instant delivery market, Instacart has spent the last **two years** positioning itself as a partner for grocery and C-store retailers, which has helped the company differentiate. Some key launches included:

- **Carrot Ads**, a retail media solution that makes Instacart's advertising functions available for retailers to use on their owned and operated ecommerce sites;
- **Carrot Warehouses**, a full-stack solution that enables end-to-end fast delivery solutions customized to each retailer's needs, including building new nano-fulfillment centers, devising floor plans, establishing automation services and running ongoing operations;
- **Carrot Insights**, a data analytics software that gives retailers near-real-time visibility into their operations to help them make more informed, proactive business decisions; and
- **Cart Star**, a rewards program designed especially for order pickers and drivers.

Instacart also is investing in the end-user customer experience. The company launched an **improved Instacart+ subscription service** and a **new influencer-led model** that allows consumers to browse and buy from the shopping lists of their favorite celebrities, including Lizzo.

04



Make a personal connection

Partnering with 84.51®, we create meaningful relationships directly between Kroger customers and your brand.

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Our last Grocery Hit List spotlighted Kroger for its investments in automated fulfillment operations, robotics and delivery services. However, Kroger also has doubled down on retail media, which is presenting new and exciting opportunities for grocery retailers and the brands they partner with.

Specifically, Kroger is building out its retail media offerings to help CPG partners capitalize on its network of **2,800+** stores, its growing digital presence and its popular loyalty program. **Kroger Precision Marketing (KPM)**, the retail media business of Kroger that's powered by **84.51°** data science, aims to improve targeting and measurement standards and create a more accountable media ecosystem.

Through a combination of on-site search and display; social advertising and influencer marketing; OTT/advanced TV advertising; offsite advertising; and direct email, brands can connect their campaigns to true business results and in turn their marketing investments.

During a recent episode of the **Retail Remix podcast**, KPM executives revealed that in-store integration that can create a clearer connection between consumers' digital interaction with brands and their in-aisle behaviors is on their minds.

05



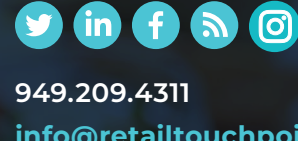
Starting in the fall of 2021, Hy-Vee has unveiled a series of new stores designed to make the shopping experience more seamless and enjoyable. In some cases, that has meant adding shop-in-shops from non-grocery partners like **DSW** and **Joe Fresh** into their vast store footprints. In other cases, it has meant adding higher-end food and beverage options.



However, it is the grocer's thoughtful integration of technology into these and other store elements that brings the experience to the next level. Key touch points embedded into next-gen store designs include:

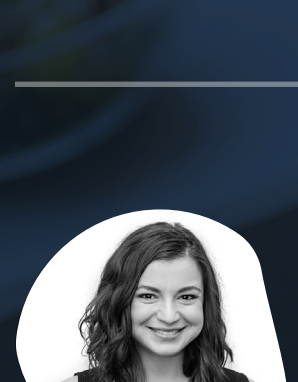
- **QR codes** strategically placed around the store that link to the grocer's digital circular and other online services;
- **Digital kiosks** that allow consumers to place orders for items in-store and online;
- **Digital screens** to promote curated content and deals;
- **Digital shelf labels and price tags**, which make real-time pricing and promotion optimization a reality;
- **Hy-Vee Scan & Go** stations that support quick and easy checkout experiences; and
- **A salad-making robot.** (Yep, you read that right.)

While many retailers are right-sizing stores and experimenting with smaller, more modular formats, Hy-Vee's reimagined stores are more than **90,000 square feet** in size.



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ABOUT THE AUTHOR

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Alicia is an editor-turned-content marketer, with a passion for all things focused on digital-powered experiential retail.

