

Grocery Shopping, the Millennial Way

Mintel's research shows that traditional stores aren't as appealing to Millennials as specialty retailers

By April Miller

CHICAGO — According to **Mintel**, 39% of Millennials are primarily buying their groceries online — a significant number compared to the 8% of non-Millennials doing so. This was just one of the findings the market research firm shared in its September report, “The Millennial Impact: Food Shopping Decisions.”

Millennials, defined as those ages 21-38, are the largest generation and their spending power is only going to continue to grow, Mintel says. Therefore, how they shop for food will not only impact the industry but also influence behavior of other generations. Millennials have an expectation that products can be brought to them wherever they are, and Mintel notes that the convenience and product variety of online retailers is especially attractive to this cohort.

When they are heading to a brick-and-mortar retailer, they tend to opt for specialty grocery stores (in Mintel's research this includes such stores as Whole Foods and Trader Joe's). Fifty-two percent agree

going out of their way to buy specific ingredients. Urbanization plays a role. Limited storage space is one driver to shop more often and purchase smaller sized goods. Their health-consciousness also means that they prefer to “shop for what they need, when they need it, which ensures freshness,” Topper says.

With a desire to avoid processed foods, older Millennials in particular can be found shopping only the fresh sections of a grocery store: 62% of older Millennials do so and 48% of the younger demographic does as well. They are more likely than non-Millennials to stock up on frozen foods: meals, snacks, breakfast foods. Topper says convenience and opportunity to try new cuisines are factors. “Millennials also stock up on these types of foods to save money on dining out, especially with some products' similarity to restaurant options,” she adds. Millennials also likely stock up on frozen foods for snacking occasions especially with their greater snacking frequency, compared to older generations.”

“While older Millennials [ages 29-38] tend to earn a higher income than younger Millennials, they also are more likely to be starting a family and thus have less disposable income. That makes store rewards and loyalty programs more appealing.”

Amanda Topper, senior food analyst, Mintel

that traditional grocery stores are not as appealing as specialty retailers. “Millennials enjoy unique foods from retailers and brands they deem as trustworthy and therefore may be less favorable toward traditional grocery stores they may not view as authentic or ethical,” says Amanda Topper, senior food analyst with Mintel.

With traditional grocery stores offering more products from large food manufacturers, “this also likely contributes to their perceptions of these stores,” Topper adds. Forty-seven percent of older Millennials (ages 29-38) say they do not trust large food manufacturers. Specialty stores also attract this demographic because “of the mentality that where you buy your groceries,” says Topper, “reflects your personal values.”

Large, stock-up trips are not the norm with Millennials as 63% prefer to make smaller, more frequent trips. That skews even higher with the younger subset (ages 21-28): “Eighty-three percent buy groceries on an as-needed basis,” says Topper, adding that the group in general has no problem

They have a strong interest in foods for specific diets such as paleo or vegan, and many say they would opt for one item over another if offered in single-serve packaging. Topper does note that within the demographic, moms are motivated by different factors than dads: cost and health drive the former, while flavor, fun and fresh are priorities for the latter.

Many are using their mobile device in-store, especially the older cohort: almost two-thirds create a shopping list on their phone, 63% use it to look up products and 57% use a device to search recipes while in a store. Topper sees this as an opportunity to attract Millennials to the center store say with mobile recipes that feature branded products.

Rewards and loyalty programs are also resonating with older Millennials. Fifty-seven percent say they only shop where they have such a program versus 35% of younger Millennials and 25% of non-Millennials. “While this demographic tends to earn a higher income than younger Millennials, they also are more likely to be start-

“Which of the following statements about grocery shopping do you agree with?”



“Which, if any, of the following statements do you agree with?”



Base: Internet users aged 18+ who are solely and partly responsible for shopping
Source: Lightspeed GMI/Mintel

ing a family and thus have less disposable income,” Topper says. “Having more limited spending money makes store rewards and loyalty programs more appealing to this demographic.”

Although Mintel does not have specific data on what types of apps or programs they are using on their phones, Topper does note that retailer apps that offer coupons, shopping lists and personalized offers would resonate with this group. Store offer-

ings such as delivery or cooking classes are also attractive to older Millennials. “Mobile apps,” suggests Topper, “could offer promotions or discounts for these services.”

Use of mobile by retailers and brands could also be used as an attempt to improve upon those trust issues. Labels or scannable codes could drive shoppers to ingredient, nutrition and manufacturing information to be more transparent to consumers.