



**The Future of Grocery  
is a Layered Experience.**





# The Future of Grocery is a Layered Experience

*\*Perspective developed by  
ASG / Chute Gerdeman\**

Grocery and supermarkets have evolved to become “everything for everyone”.

Brands like Target, Meijer, Costco and many more have built an experience that brings elements of market, homegoods, apparel and technology into their space. Shoppers have grown accustomed to the widespread offerings of modern grocers, and now it’s an expectation.

With pick-up, micro-fulfillment and delivery all rising in popularity, it’s time to step back and dissect the layers of what makes a great modern grocery experience.

# Our Perspectives

Meet the team of leading experts that made this perspective possible.



*Adam Kavett*  
Director of Insights and Consulting  
Envirosell



*Phil Lempert*  
Founder & CEO  
Supermarket Guru

**chute**  
GERDEMAN



*Maxwell Miller*  
Brand Strategy



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Senior Designer



*Laura Back*  
Senior Designer



*Richie Le*  
Senior Designer



*Brian Seitz*  
Design & Strategy Partner



# The Layers of Modern Grocery

Like the layers of an onion, there are four key facets that make up an optimal grocery experience:

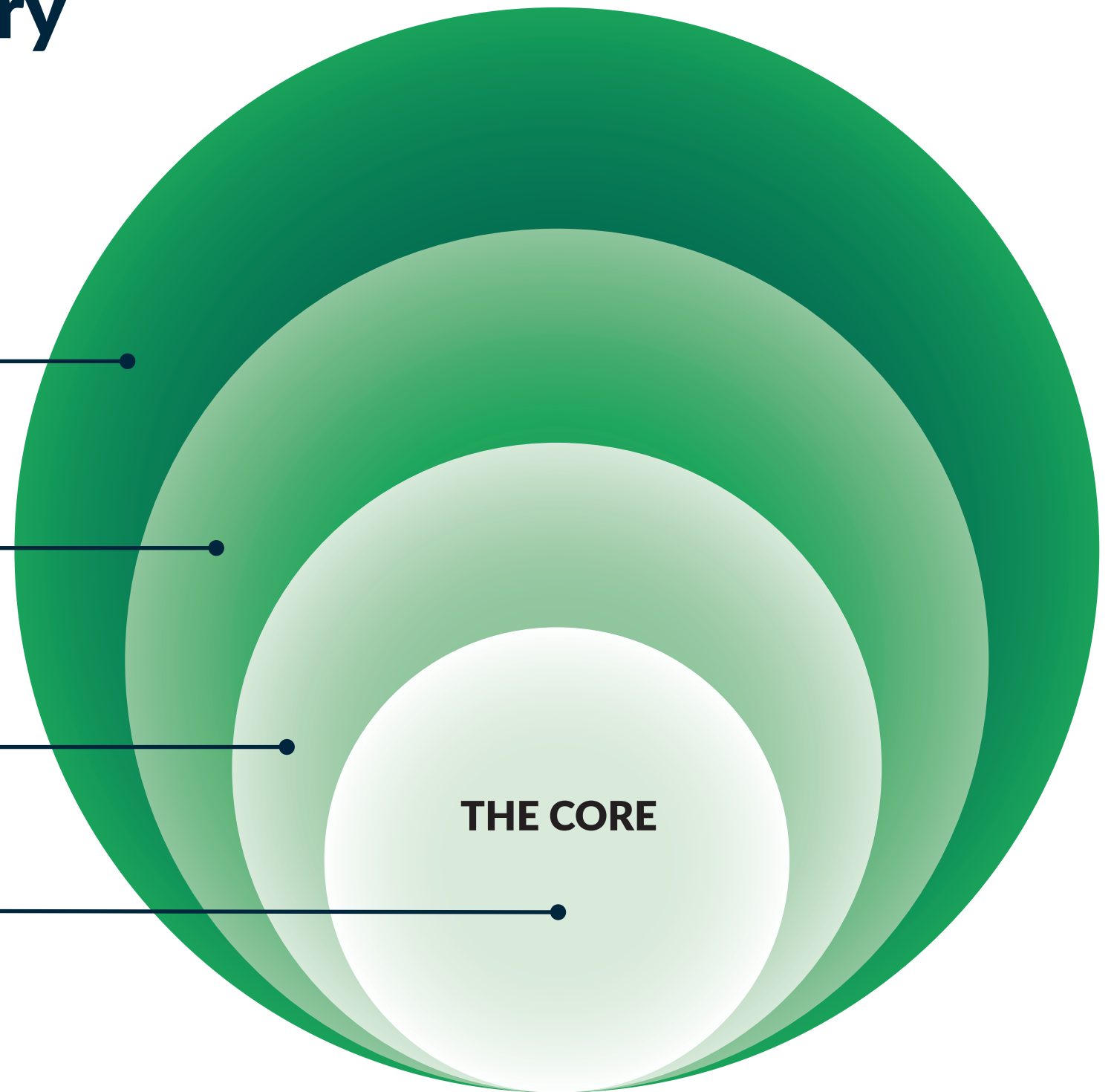
**Delivery +  
3rd Party**

**Wholesale  
Experience**

**Pickup / BOPIS**

**Traditional  
Brand Experience**

*Most Important\**



# Best in Class Brand Spectrum

For context - let's take a look at some brands who exceed expectations in certain layers.

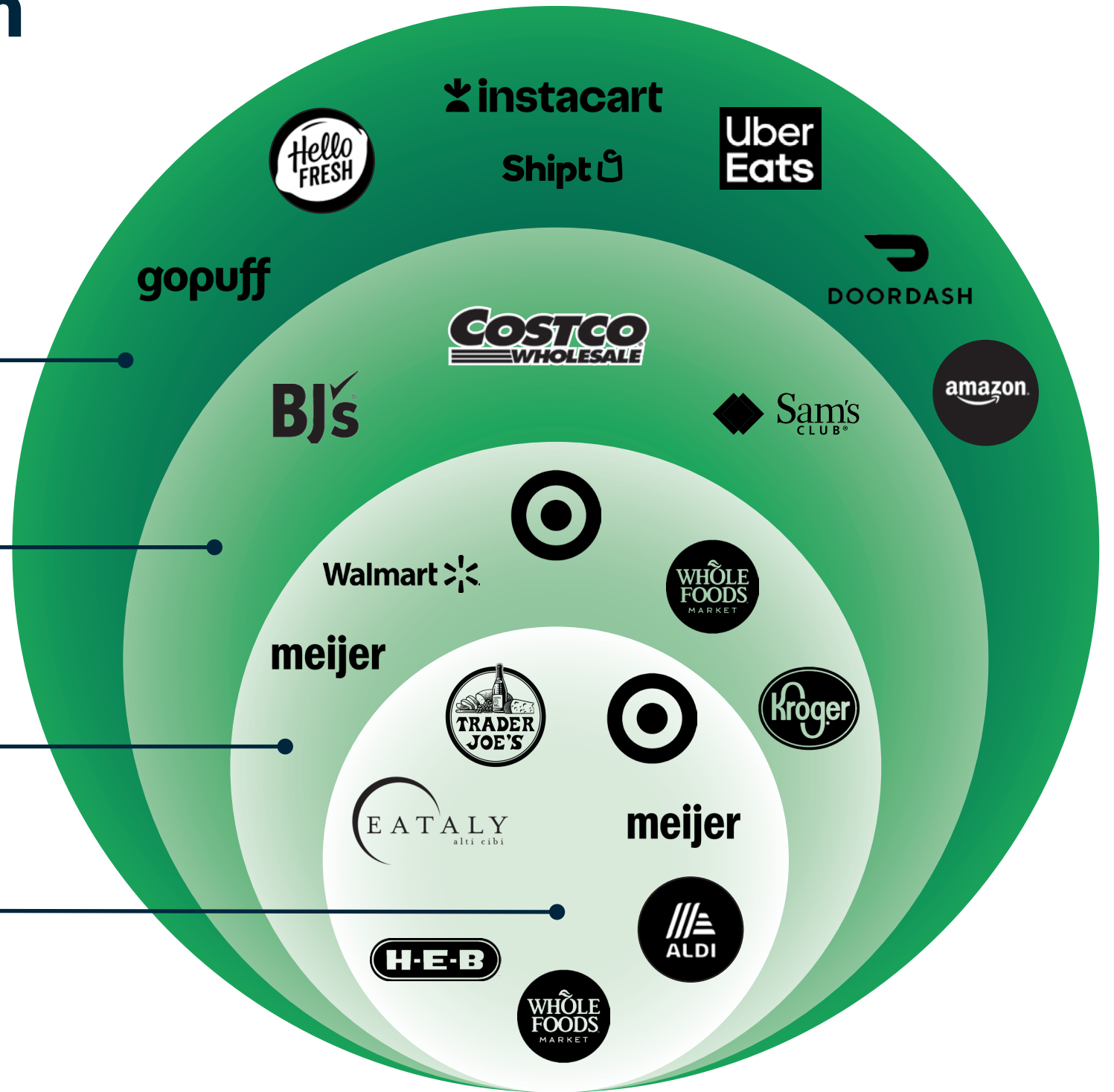
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**Traditional  
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*Most Important\**



# The Traditional Brand Experience

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Traditional brand experiences are the life blood of the grocery industry, the “bread and milk”.

It’s the base of every good grocer, where the guest can shop their store on their terms. Best in class grocery stores have a strong customer journey and store plan that reinforce the brand experience.

Category leaders like Whole Foods, HEB and Target are leaders by execution through the details. Signage, store communications, environmental design, private label packaging and much more feel uniquely ownable to these brands.

**74%** of grocery sales still happen in-store, so it’s absolutely imperative you develop an ownable brand experience within your physical locations.



# Understanding the Brand Experience

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These are the key pillars to brand experience.

**1**

## *Routine*

a reliable, trustworthy, affordable source of household essentials & food products

**2**

## *Aspiration & Exploration*

a place to elevate your consumption patterns and discover new things

**3**

## *Connection*

connection to the broader community through food experiences and exposure

**4**

## *Good Design*

strong environmental branded design to support the other pillars

# Understanding the Brand Experience

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We've learned over the years that consumers are willing to explore multichannel solutions, but their experience of and loyalty to brands are more likely to be driven by in-person experiences, particularly when it comes to grocery shopping.

In a traditional grocery experience, helping shoppers accomplish their goals and fulfill their planned needs efficiently is key to enabling exploration beyond the core mission. In 2024, expectations are higher than ever and shoppers are increasingly expecting more out of the grocery experience – yet, more and more sensitive to how much time it takes. Multichannel solutions present a great opportunity to address the core “bread and milk” needs and beyond – and that shift introduces new possibilities and considerations for the design and goals of the traditional physical grocery space.

- Adam Kavett, Envirosell





# Pickup / BOPIS

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BOPIS (buy online, pickup in-store) has taken the grocery industry by storm.

US online grocery spending is expected to eclipse \$129b, equating for over 10% of total grocery sales.

The best brands are factoring BOPIS into their store customer journey and site plan, creating an easy streamlined journey for the guests to get what they need quicker and simpler. This allows brands to still optimize the journey and manage opportunities for further exposure/brand experience.

**HALF** of all online grocery sales are via buy online, pickup in store.



# Pathways to Pickup / BOPIS

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There are two pathways to look at BOPIS.

## **BOPIS-only trips:**

With a large range between brands, this is still typically more common than a trip that also includes a visit inside the store. This is still relatively new territory in terms of providing successful brand experiences and managing opportunities for further exposure to product offerings, services, promotions, and more... but for now is largely delivering a very practical solution to a variety of needs and helping retailers win trips. There is also an inherent risk to this type of trip – shopping lists don't change.

## **BOPIS+In-Store:**

Maximizing crossover and usage across platforms is the holy grail of channel dominance. It all starts with awareness and good communication of not only options, but benefits and use cases across physical and digital platforms.

Just as good environmental design provides scaffolding for shoppers to reach higher-level grocery trip needs, clearly communicating the digital landscape is critical to shoppers' understanding of how to make the most of these services in a way that is truly additive to their experience.



- Adam Kavett, EnviroSell

# Wholesale Experience

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Wholesale experience spaces are growing, especially with the value proposition that comes from bulk purchasing.

Costco, Aldi, Sam's Club and other brands have built a suite of business models that have dawned the golden age of multi-fulfillment, and other brands are catching on, pairing their brand experience with the benefits of wholesale and operational success of multi-fulfillment.

Staff can focus more on fulfilling online orders, prepping delivery, and stocking the right products for bulk purchasing in-store.

**40%** of grocery shoppers find price more important than brand loyalty.



# Wholesale Experience *continued...*

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*“From the customer perspective: there is an added value of efficiency/time-savings in addition to price with Wholesale experience.*”

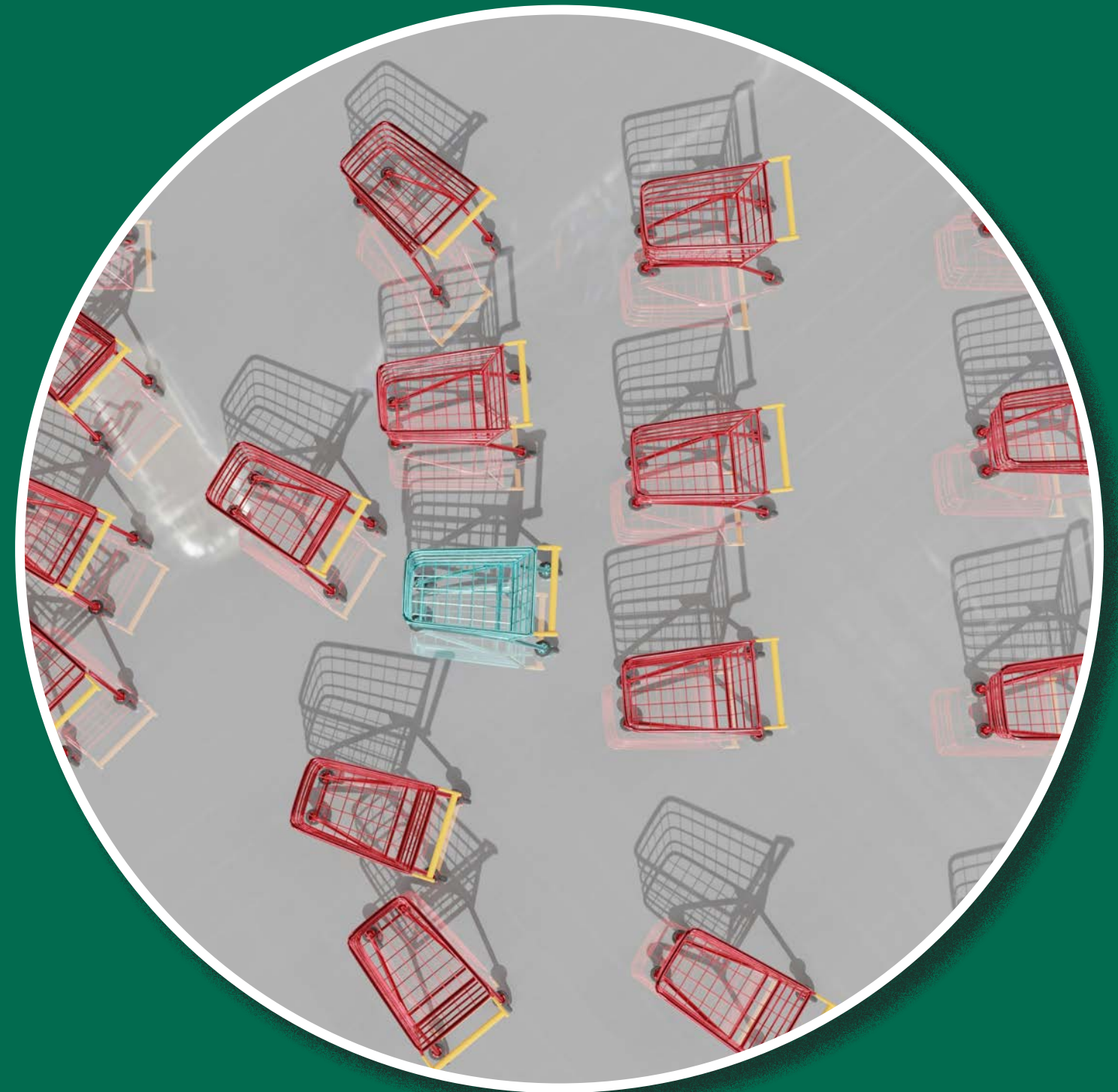
*This is also grocery’s way of fighting back against other channels who have been chipping into their market share for years.”*

Adam Kavett, EnviroSell

*“Brands are pushing away from ginormous package sizes to regular sized goods - notably BJ’s and Smart & Final to attract smaller families and singles.*”

*Theres a BIG push on store brands to combat Costco’s private label brand, Kirkland, which is exceptional quality and value”*

Phil Lempert, Founder, Supermarket Guru



# Delivery / 3rd Party

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“No one is making money on delivery, and that’s the issue.”

“This is why brands are pushing online ordering and pick up.

People are also concerned about opening their doors to strangers in today’s era. I anticipate that delivery will not continue to grow and may even *fall downward*.

What’s interesting to watch is the grocery drone deliveries (obviously for small orders) and Walmart’s test having their delivery people enter your home when you aren’t there and put your groceries away for you.

This isn’t new as Cosmos/Webvan/Amazon were all putting refrigerated lockers in peoples garages, but I believe the future of grocery delivery will be just for more upscale shoppers who will pay higher prices for food (to cover the cost of delivery) - so stores like Whole Foods, Erewhon, Gelsons, Wegmans, Central Market etc and the more traditional grocers will eliminate delivery and just offer curbside pickup.”



- Phil Lempert, Founder, Supermarket Guru



# Delivery / 3rd Party *continued...*

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Delivery is the highest risk to reward ratio for grocers worldwide.

But with a growing younger audience and an aging population, delivery has become a larger focus point generationally.

**\$1.79tn** is the expected market growth for global online food delivery (groceries and meals). It's expected to hit this peak by 2028.

Grocery delivery itself is growing slower than home meal solutions, 3rd party applications, and traditional food delivery (UberEats, DoorDash) are still top of the food chain, posing their own pros and cons to the user.



# Amplifying Each Layer

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The best brands across the big box retail world are blending each and every layer of BOPIS, delivery, brand experience and fulfillment together to build better relationships with their shoppers.

Expectations are at an upper echelon in grocery spaces these days, and when you look at brands like Trader Joes, Whole Foods, Costco, etc, the pieces begin to fall in to place with certain experiential characteristics those brands embody.

These three principals can and should be applied to every layer of the grocery experience in a brand's store strategy.

**1** *meeting guests at their needs*

**2** *digital experience is BRAND experience*

**3** *consistency meets community*

# Amplifying Each Layer

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## Meeting the guest at *their* needs.

From the guests who have some extra time to shop the aisles, the guests that need to get in and out, or the guests who solely pickup their purchases. Needs vary from shopper to shopper, and they vary from **day to day**.

For brands to build that trusted relationship with their guests, they have to offer a multi-dimensional experience that can flex up and down to the needs of their shoppers on an given day.





# Amplifying Each Layer

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## Digital experience is *brand experience.*

Digital isn't just an offering, it's an extension of the brand experience. Application UX Ui, informed purchasing habits and personalized data, and the role that digital plays in enhancing the physical store experience are all critical considerations.

Almost every shopper will have a device that they use for a multitude of checkpoints in store, and the better these devices can integrate and lift the experience, the better brands can innovate and efficiently use digital.

Devices and digital components are now are our wallets, our coupons, our navigation, and so much more. Use digital wisely.

# Amplifying Each Layer

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## Consistency meets *community.*

Guests hold brands to a standard, and it's up to the brand to uphold that standard in every aspect and at every location.

Grocery spaces are communal experiences that bring people together, and inconsistent experiences across the store fleet will lead to guests second guessing their trust and willingness to shop your store over the likes of others.

so what if there was a concept  
that could do **ALL** of this?



INTRODUCING:

*concept*

**Affinity**

# *concept* Affinity

Meet Concept Affinity, the newest experience that embodies effortless shopping and endless choices.

Experientially, this concept takes the best of in-store customer experience, pick-up/BOPIS, delivery and multi-fulfillment and brings them together.

Community focused, digitally native, and versatile for the varying needs of the modern grocery shopper,

*Concept Affinity is the future of grocery experience.*

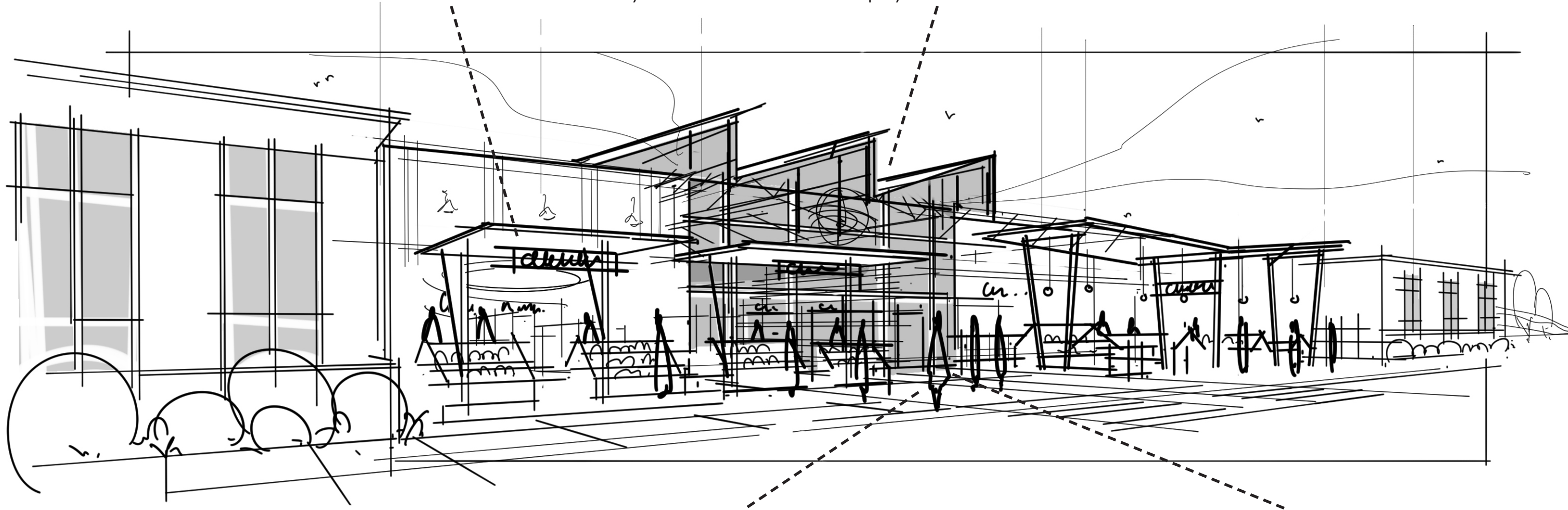


concept Affinity

# Exterior Experience : Fresh

*Meet guests fluctuating needs* with a fresh marketplace that welcomes aspiration and exploration as well as creates connection to the community.

*Reinforce the brand experience* through an inviting entrance with interior sightlines and uniquely own-able architecture.



*Make routine trips easy* by fulfilling planned needs for at home meal solutions in traditional fresh departments.

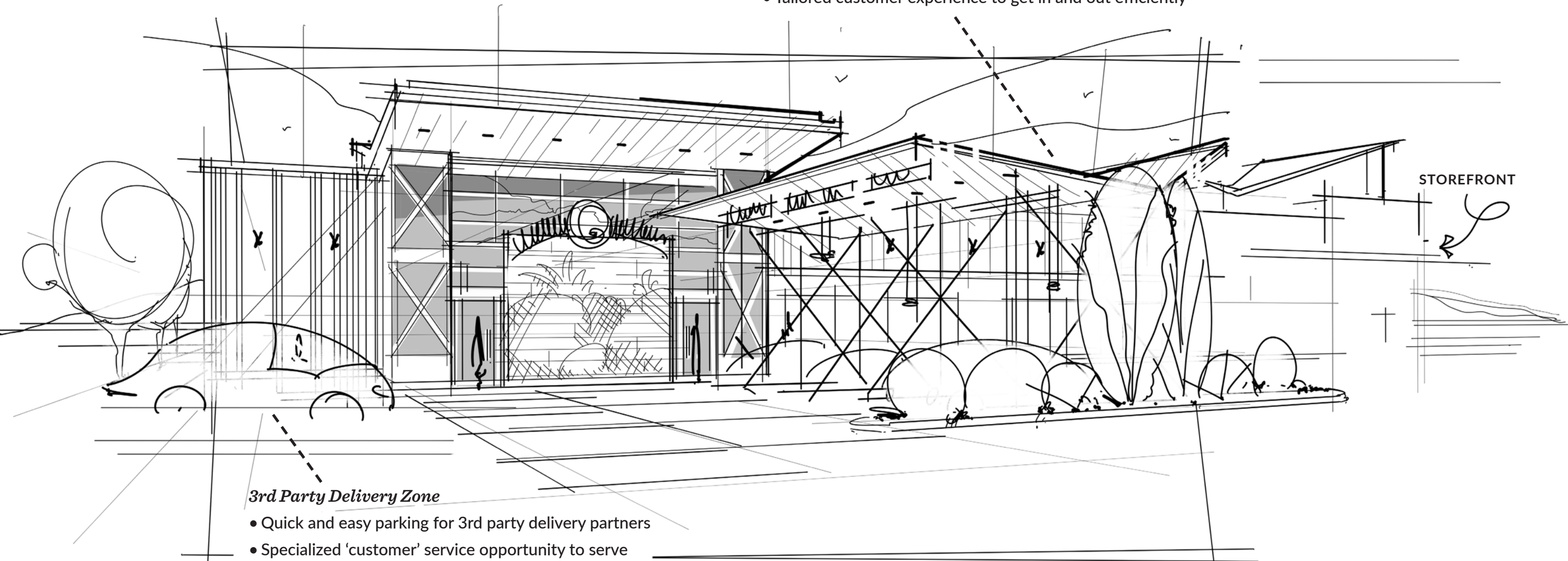
*Interior store layout and design* communicate brand attributes and simplify the shopping trip.

concept Affinity

# Exterior Experience: Pickup

## *MFC & BOPIS Pickup Zone*

- Practical solution for a streamlined digital-to-store customer journey
- Branded exterior with relevant communications to digital shoppers
- Tailored customer experience to get in and out efficiently



## *3rd Party Delivery Zone*

- Quick and easy parking for 3rd party delivery partners
- Specialized 'customer' service opportunity to serve partners differently from customers on a personal shopping trip

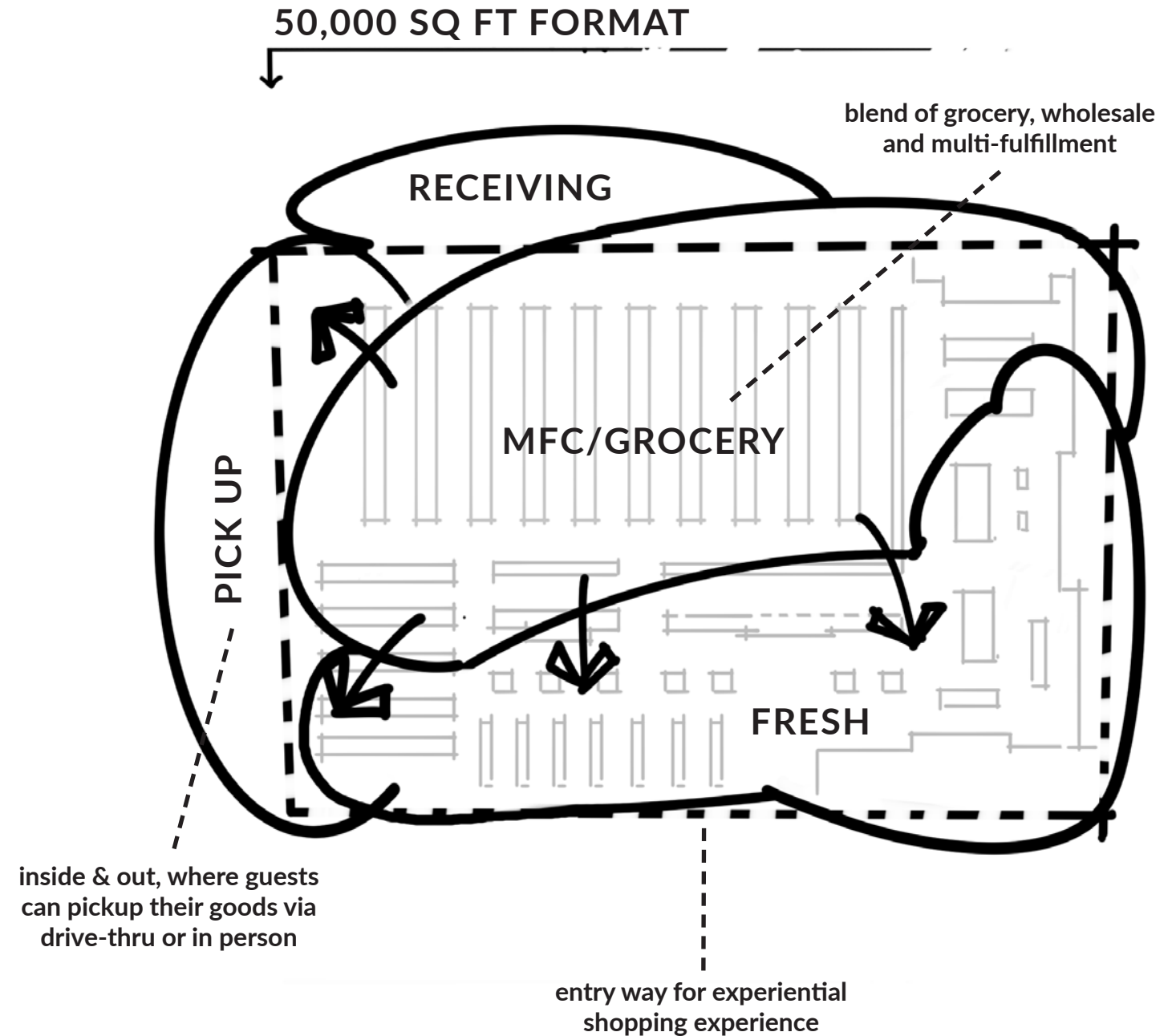
concept Affinity  
**How it Works**

The Concept Affinity delivers each layer of the modern & flexible grocery model.

Even before entry, guests will lead a journey through the freshest offerings, with a brand experience and customer journey that navigates the best product available and curated offerings.

Throughout the center of the space is a mix of grocery paired with wholesale and micro-fulfillment, where the internal crew can fulfill delivery and pick-up orders with ease, while also staying incognito and not inhibiting the experience for grazing guests.

Allocated areas for BOPIS / delivery drive the guests to those key areas quickly with easy navigation, internal signage and an exterior experience where guests can pick up via a window, the parking lot, or in-store with an associate.





concept Affinity

# Micro-Fulfillment Ideology

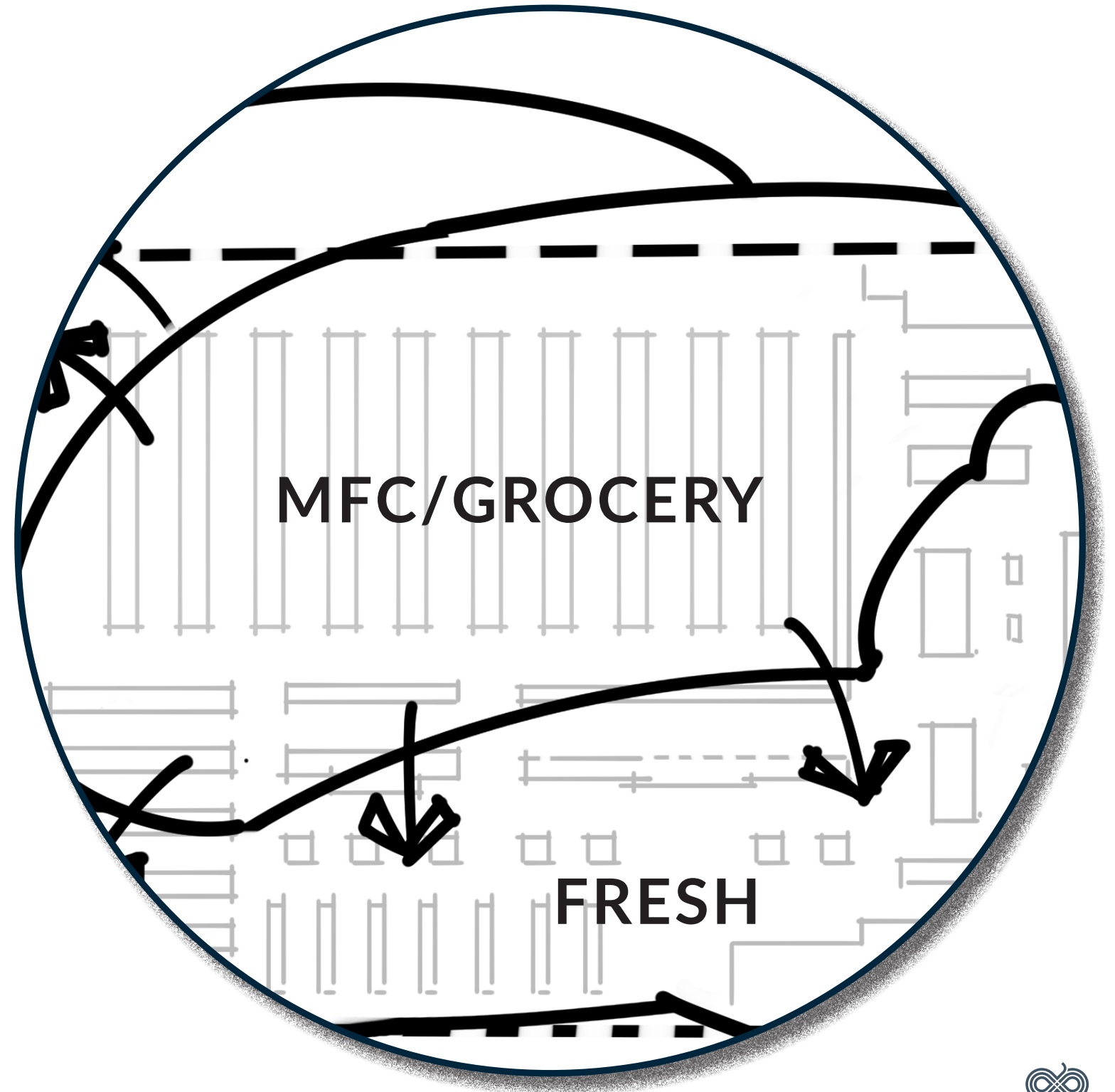
The role of micro-fulfillment is really a story of internal efficiency and operations.

While the brand experience takes priority, the space also functions as a micro-fulfillment center to ensure pickup and delivery orders are satisfied quickly without competing with the other zones within the store.

Additionally, the MFC ideology can compliment the in-store experience, allowing guests to control certain aspects of their shopping experience, and allow staff to source the rest.

Ex:

shopping produce and fresh, making your own selections while staff grabs wholesale goods like paper towels, water bottles, and additional homegoods.



concept Affinity

# Fresh & BOPIS

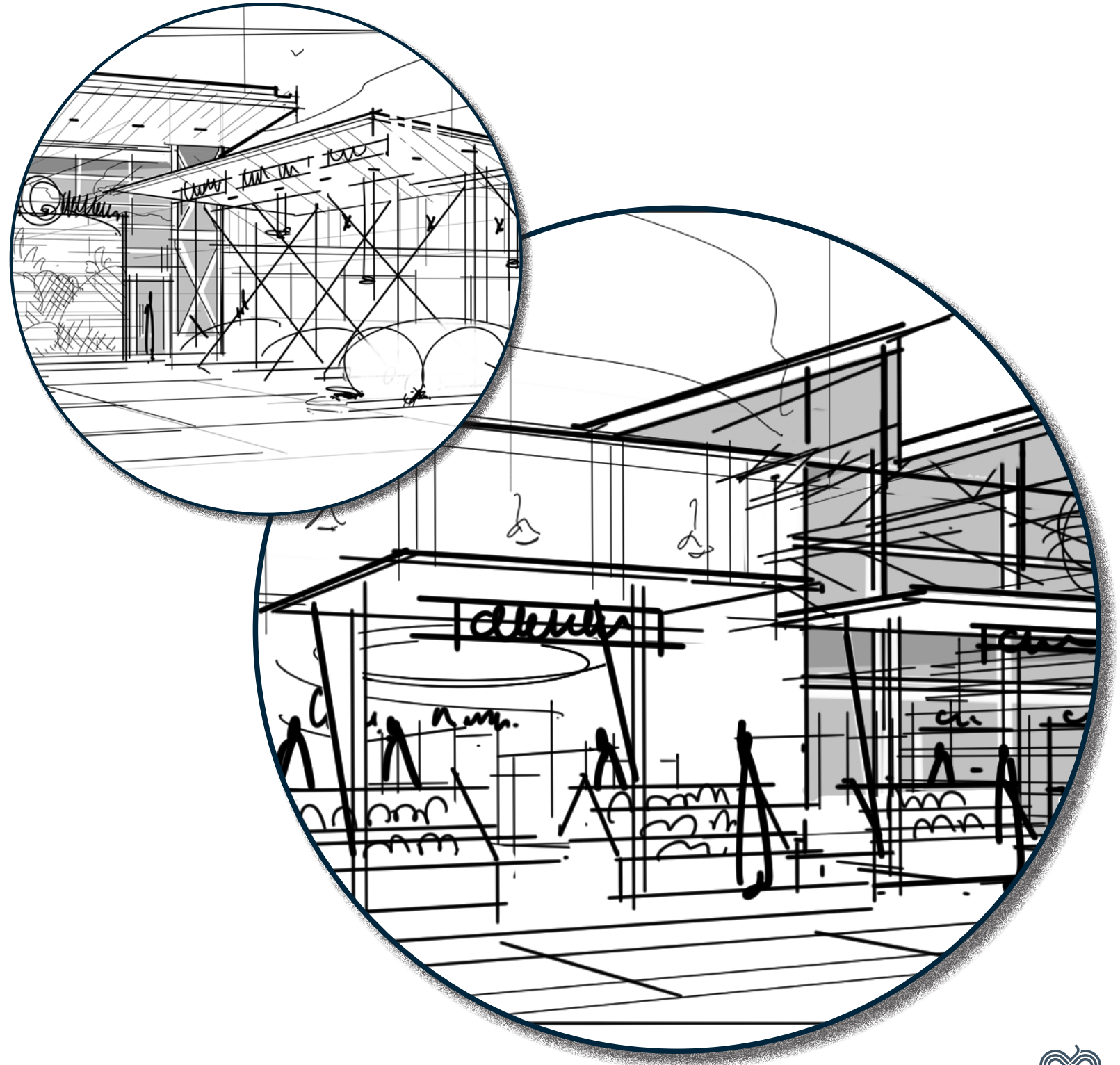
The relationship between the fresh experience and the pickup experience are crucial to meeting guests at their needs.

Concept Affinity brings pickup and fresh goods together, and introduces them from the exterior in. This allows guests to quickly identify and pickup their products if they ordered ahead, or simply stay and enjoy the experience.

In some instances, a hybrid experience will take place, where guests order portions of their products ahead, and hand select certain items (produce, home meal solutions) during their time in store.

Ex:

exploring a wide variety of produce, specialty cheeses, and local products as well as meal kits and ready to eat offerings.



**Thank You For Reading.**

**You ready to move towards the future?**

*Let's get to work.*

**CONTACT**

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