CivicScience Insight Report

Clean Eating: Who's Shopping The Perimeter?
Plating Up Fresh Insights On Grocery Shoppers

June 18, 2015: As the "clean eating" trend continues, grocery stores and food manufacturers are seeing a noticeable drop in center of the store foot traffic/purchases and a move towards fresh, perishable foods – perimeter shopping.

This report focuses on profiling consumers who spend 50% or more of their grocery bill on fresh foods and also looks into the center of the store shopper.

Over a decade ago, a steadily growing inappetence to the agriculture industry's heavy use of pesticides and chemicals in crops led to greater demand for organic and locally grown garden items. Next came concern over treatment of animals in our food supply chain, including antibiotics and growth hormones, resulting in demand for more humane supplier practices, such as "cage free" and "grass fed" commitments. Veganism and paleo diets grew in popularity.

The trend toward more natural, i.e. "clean" eating continues today, bringing much attention to issues such as sustainable sourcing and "GMOs" (genetically modified organisms). There are countless websites, articles, and magazines written on the topic of clean eating.

Companies in the food industry have needed to adapt – particularly manufacturers of packaged "center of the store" foods and those in the fast food/quick service industry. While many independent restaurants are now touting farm-to-table practices, chain restaurants such as Panera Bread, Chipotle, and Subway are making strides by announcing the elimination of many artificial ingredients and/or GMOs.

As the clean eating trend moves to the mainstream consumer, grocery stores are noticing a drop in center of the store sales, which tend to be packaged and frozen foods, while more consumers are opting for fresh, perishable foods. This means more shopping is being done on the perimeter of the store.

We used the syndicated data in our InsightStore™ platform to better understand and profile "clean eaters" – consumers who spend more than half of their grocery bill on fresh, highly perishable foods.

CivicScience Insight Report (continued)

In the beginning of April 2015, we launched the following syndicated question across our polling network:

What percentage of your household's grocery purchases (in $) in the past week has been fresh, highly-perishable foods (such as fruits, vegetables, fresh meat, dairy)?

> All respondents in segment Country I US
> Weighted according to U.S. Census figures for gender and age, 18 and older

Less than 10%	1,051	18%
10-25%	1,842	31%
25-50%	1,419	24%
More than 50%	1,056	18%
No grocery shopping was done in the past week	519	9%

Margin +/- 2%   5,887 responses from 04/10/2015 to 06/16/2015

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After collecting over 5,800 U.S. adult responses, we can see many consumers are still spending the majority of their money on packaged, prepared foods. Of those who went grocery shopping (excluding those who did not do any grocery shopping), 54% only spent a quarter or less of their bill on fresh ingredients. However, **20% of consumers said fresh food made up more than 50% of their grocery purchase.**

Let's dig in to our research 'cart' to better understand the fresh food buyer: those who spend more than 50% on highly-perishable foods. We'll be looking at their demographics, health and wellness behaviors, shopping habits, media and entertainment consumption, and their tech usage, and compare them to the general U.S. adult population. Then we will touch on the shoppers who still frequent the center of the store.

Demographics of Clean Eaters

- They are 22% more likely to be women than the average.
- They are 21% more likely to have a household income over $100K.
- They are 15% more likely to be 30-44 years old than the general U.S. adult population. (As you can see, this is not a group heavy on Millennials.)
- They are slightly more likely (+9%) to have a smaller household size (2-3) than the general U.S. adult population.
- 53% are married, which is nearly identical to the general U.S. adult population.
- Fresh food buyers are 22% more likely to not have children than the general adult population. This may suggest that having children in the home somewhat drives up purchases of packaged food goods.
- They are 39% more likely to have a Graduate degree or PhD than the general population.
- Fresh food consumers are slightly more likely (+8%) to be currently employed.

CivicScience Insight Report (continued)

Health and Lifestyle Habits of Clean Eaters

- They are 2X as likely as the general adult population to be informed on the topic of GMOs (Genetically Modified Organisms) and food.
- They are 53% more likely to exercise at a gym weekly.
- They are 44% more likely to normally pack their lunch.
- They are 38% more likely to love to cook.
- They are 30% more likely to eat at independent/locally owned restaurants the most when they dine out.
- Fresh food buyers are 25% more likely to follow trends in food and cooking.
- They are 22% more likely to say health and fitness activities are important or a passion of theirs.
- They are 16% more likely to follow trends in health and fitness.

Shopping Habits of Clean Eaters

- They are 89% more likely to purchase organic food at every chance.
- They are 40% more likely to purchase locally grown food at every chance.
- Fresh food buyers are 39% more likely to say the presence of GMOs affects their grocery purchases at least the majority of the time.
- They are 29% more likely to say a company's social consciousness and overall kindness is very important when choosing where to shop and what to buy.
- They are 14% more likely to read nutritional information before making food purchases.
- They are 12% LESS likely to tell others about new brands or technology and they are equally as likely as the general population to try new products before others, so they are not Market Mavens.

Entertainment and Media Consumption Preferences

- Fresh food buyers are 23% more likely to prefer comedy movies over other genres.
- They are 19% more likely to say books are important or a passion of theirs.
- They are 17% more likely to watch less than 2 hours of TV each day.
- Fresh food buyers are 15% more likely to spend an hour or less on social media each day or not use it at all.
- They are 31% LESS likely to be influenced by friends and contacts on social media.

Technology Usage

- They are 27% more likely to own a wearable fitness tracker/band.
- They are slightly LESS likely to follow trends in electronics and technology.
- They are 31% LESS likely to read tech blogs or websites daily or weekly.

A Summary of the Fresh Food Buyer / Clean Eater:

Those who say fresh food makes up more than 50% of their grocery purchases are more likely to be highly educated women who have a higher household income. Over half are married, but they are more likely to not have children. They are health conscious and fitness-oriented consumers. Fresh food buyers are more likely to purchase organic, locally grown, and non-GMO foods. They enjoy cooking, pack their lunch regularly, and visit the gym more often than average. These individuals are not big users of social media or very tech savvy, except when it comes to health or fitness related products because they are more likely to own a fitness tracker/band.

This will be a difficult group for packed food manufacturers and food and beverage companies to target, given that less than 50% of their food budget is on packaged foods and they spend less time on social media and watching TV. Given that they live more active and healthy lifestyles than average, any nutritional snacks or "organic" on-the-go foods may strike a chord with these consumers.

Another potential way to stand out and catch the attention of this group (where applicable) is to play up a company or brand's ***social consciousness***, since this topic is very important to this group of consumers.

For contrast, let's get a quick snapshot of those who are most likely purchasing more packaged/prepared foods, given that 25% or less of their grocery budget is spent on fresh foods.

The Likely Packaged Food Buyer:

This group is slightly more likely to be men, they are slightly more likely than the general U.S. adult population to be 45 and older, and they have a very similar household income as the average. They are slightly more likely to live in the suburbs or in rural areas, watch more TV than average, and their purchases are more influenced by TV ads than the general U.S. adult population.

They are 23% more likely to value diverse menu options most when dining out, are slightly more likely to eat most at casual sit-down restaurants, and are more likely to be picky in their food choices compared to the average adult. Packaged food buyers are 29% less likely to read nutritional information before purchasing products and are less likely to try new products before others. Given this group's "picky" eating habits and the lower likelihood that they try new products before others, they probably stick to many of the same food purchases and are less inclined to try new offerings (outside of free sample giveaways). These consumers are not as concerned with organic and non-GMO foods, so packaging claims based on these topics may not catch their attention.

Conclusion

Consumers are doing more perimeter shopping in grocery stores; however, there are still a large portion of consumers who spend the majority of their grocery budget on packaged and frozen foods. As more food options become available to consumers, we will continue tracking the clean eating trend to see how it changes over time.

About the CivicScience Methodology:

CivicScience collects real-time consumer research data via polling applications that run on hundreds of U.S. publisher websites, cycling through thousands of active questions on any given day. Respondents voluntarily opt-in their answers with no incentives, compensation or coercion -- they answer for fun and are kept anonymous, allowing for greatly reduce bias and higher levels of engagement. The 5,887 respondents for this report were weighted for the U.S. Census, 18 years and older, and data were collected from April 10, 2015 – June 16, 2015. CivicScience builds deep, timely psychographic profiles of these respondents with each question they answer over time, providing valuable consumer sentiment and behavior insight data to the decision makers who care. The CivicScience methodology has been scientifically validated by a team of academic leaders and by independent research firms. CivicScience currently has millions of anonymous consumer profiles stored, growing daily.