Pricing Study Results

September 2024

Advantage Solutions™

Methodology

1,440 valid responses were recorded from August 26 – September 3, 2024.

The survey was completed in an average of **10 minutes**, excluding outliers.

All respondents were their household's primary grocery buyer or shared this responsibility.

The sample size determines whether differences are meaningful or "significant." For this survey, a difference of 5% +/- is meaningful, at a 95% confidence level for total respondents. Most subsets of the total group have a confidence level of 90 to 95%.

Responses to open-ended, free response questions were coded and categorized.

Limitations and caveats: Online surveys use non-probability convenience sampling. Results are excellent for exploratory research for generating insights and testing hypotheses.

Key Takeaways

79%

Of shoppers evaluate the price of the item at least most of the time when making a purchase decision; 59% consider price per unit/count/ounce.

45%

Have more products on-hand at home than they usually do, especially household products. 8 in 10 of these shoppers bought these excess products when there was a good price or sale.

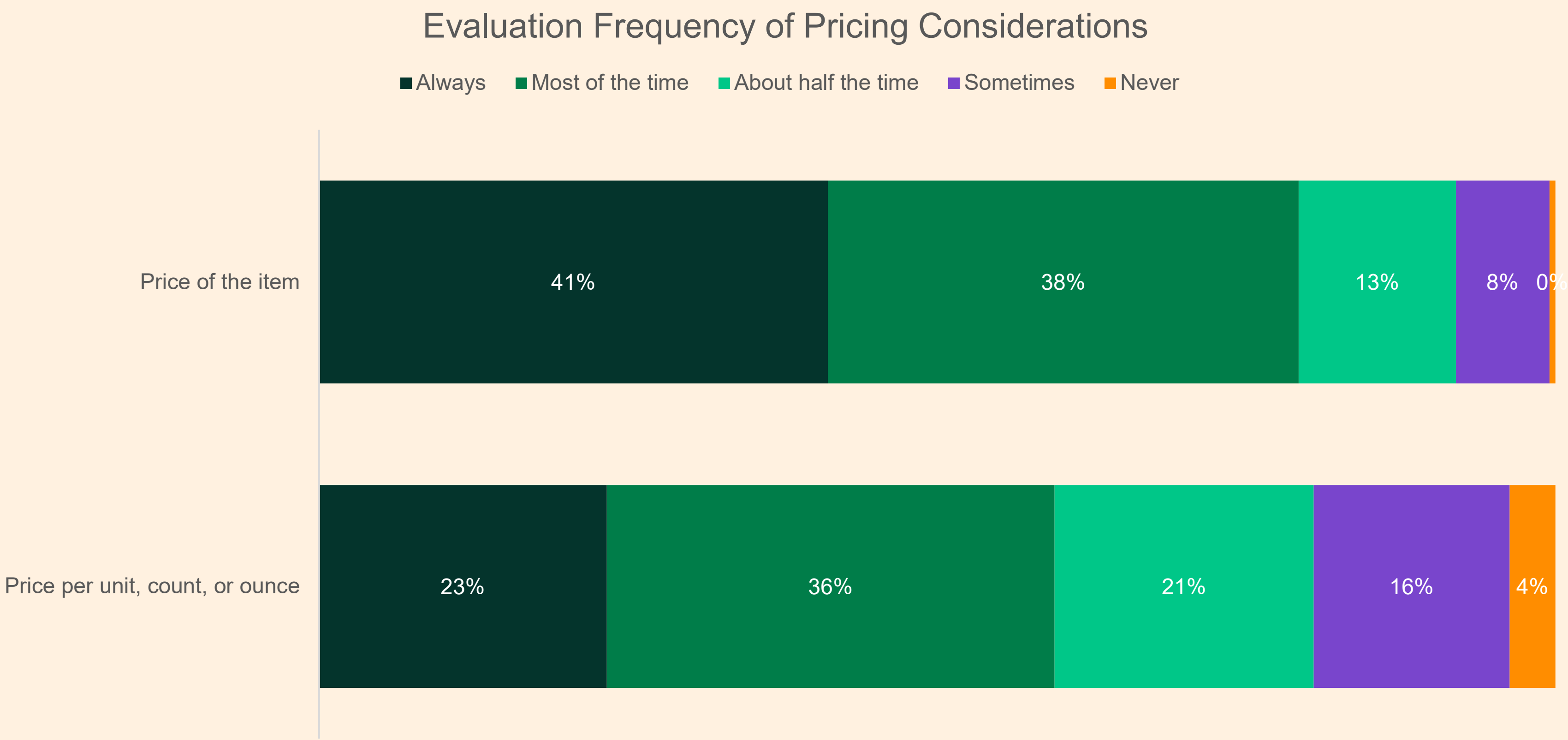
85%

Would buy a product that increased in size, but not price. Somewhat fewer (80%) shoppers say they would notice the change, illustrating the need for manufacturers to highlight when changes occur.

Price Matters

Price is king: 79% of shoppers consider total price most/all of the time; 59% consider price per unit/ct/oz

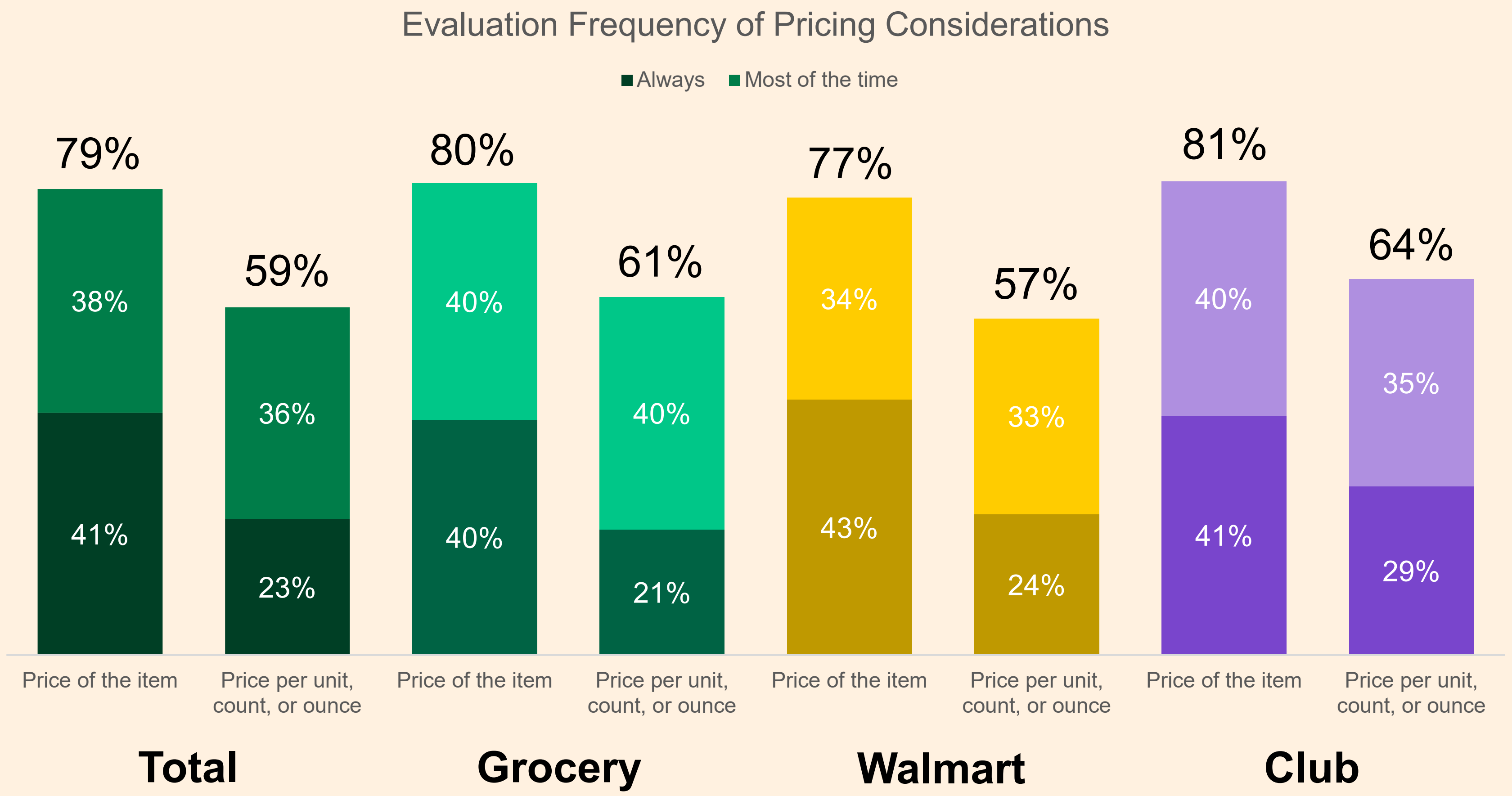
Q: When shopping for groceries, how often do you evaluate the following pricing considerations?



"Struggling" shoppers most likely to always consider both total item price (49% | index 118) and price per unit/count/ounce (28% | index 121)

Walmart has more shoppers who always check the total price; Club shoppers check price per unit/ct/oz

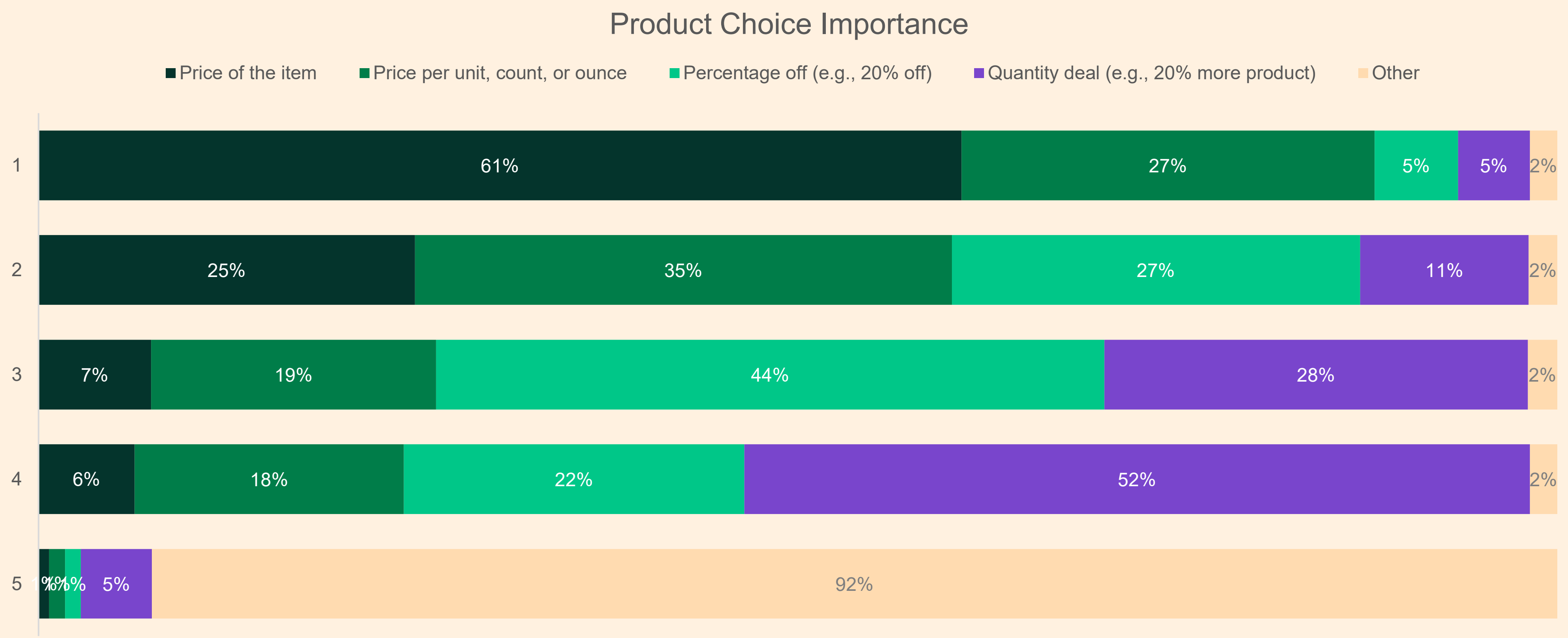
Q: When shopping for groceries, how often do you evaluate the following pricing considerations?



Club channel shoppers are more price-conscious than primary grocery channel or Walmart shoppers

Shoppers consider discounts, quantity deals, & price per unit/ct/oz less important than total price point

Q: Please rank the following from most important (#1) to least important (#5) for making your product choice.



Source: 2024 SMART Pricing Study

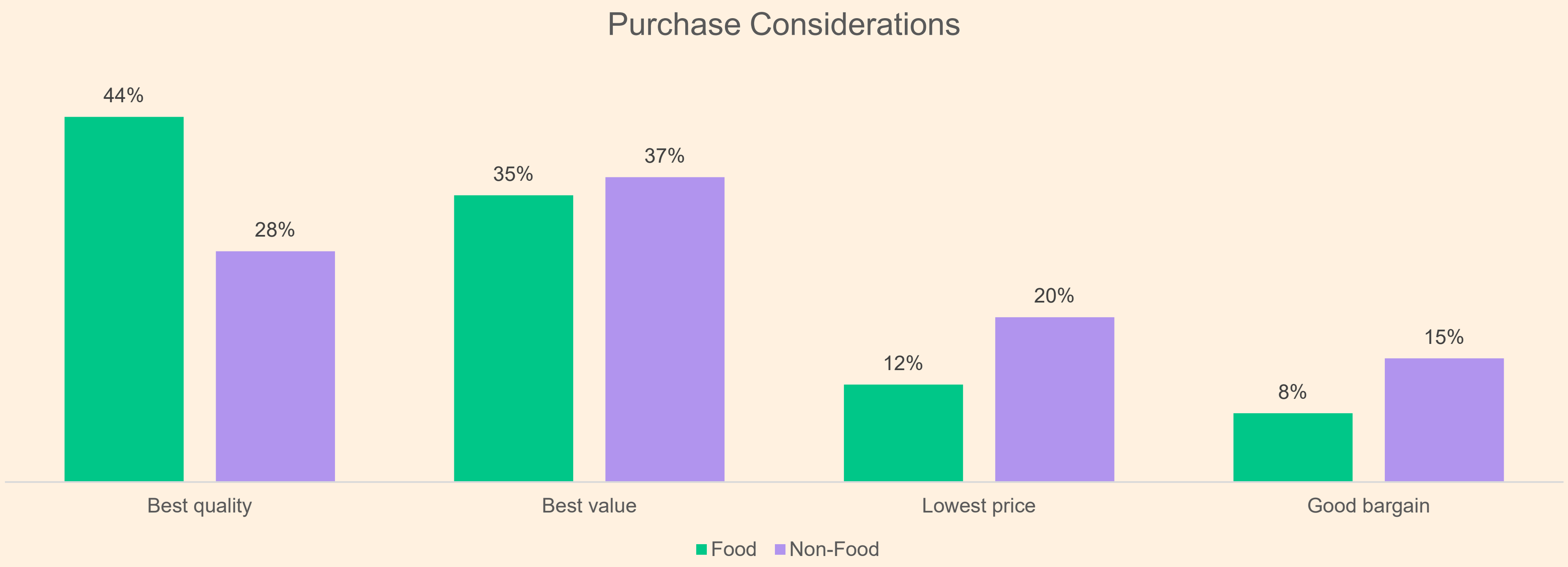
Base: 1,440

Quality most important to food purchases; value more important for non-food

Q: When purchasing a food product, what's the most important consideration?
Q: When purchasing a non-food product, what's the most important consideration?

Food Considerations

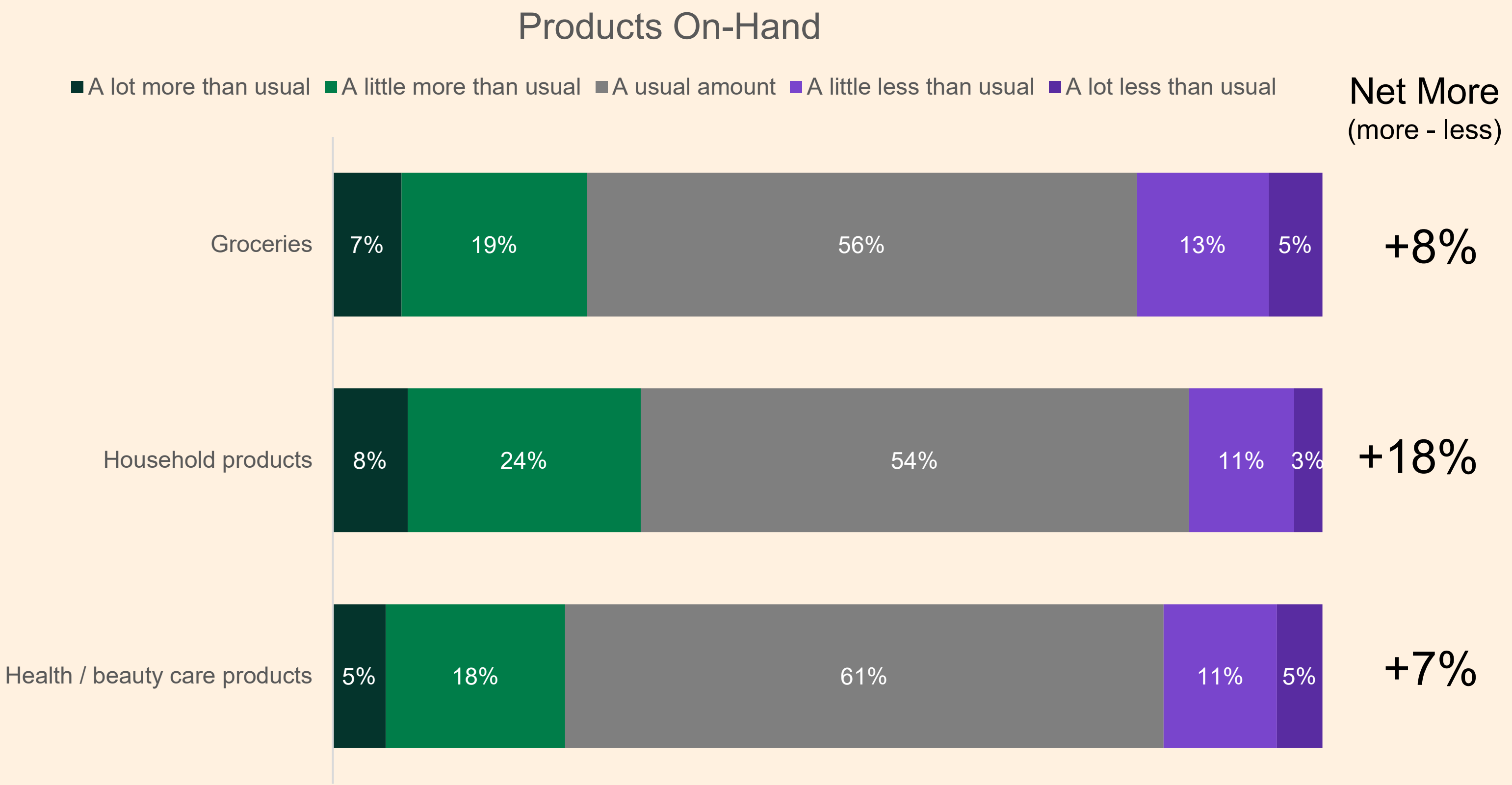
Non-Food Considerations

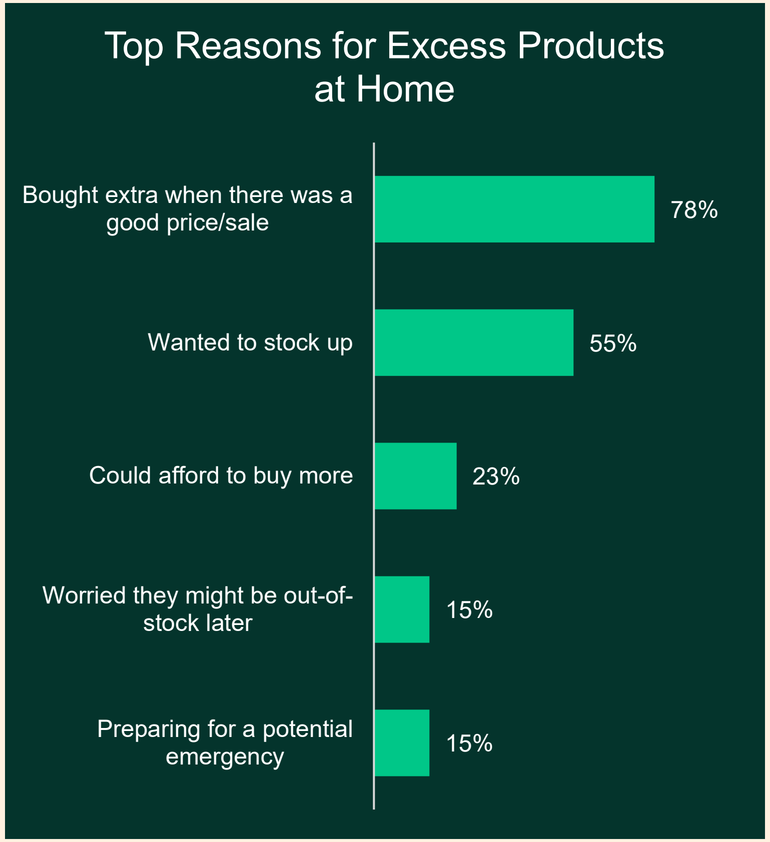


45% have more product on-hand than they normally do, prompted by good prices/sales

Q: Comparing how much you usually keep on hand, how much of the following do you have available at home now?

*Q: You indicated that you have more **groceries/household products/health & beauty care products** than usual on hand at home. Why? Please select all that apply.*

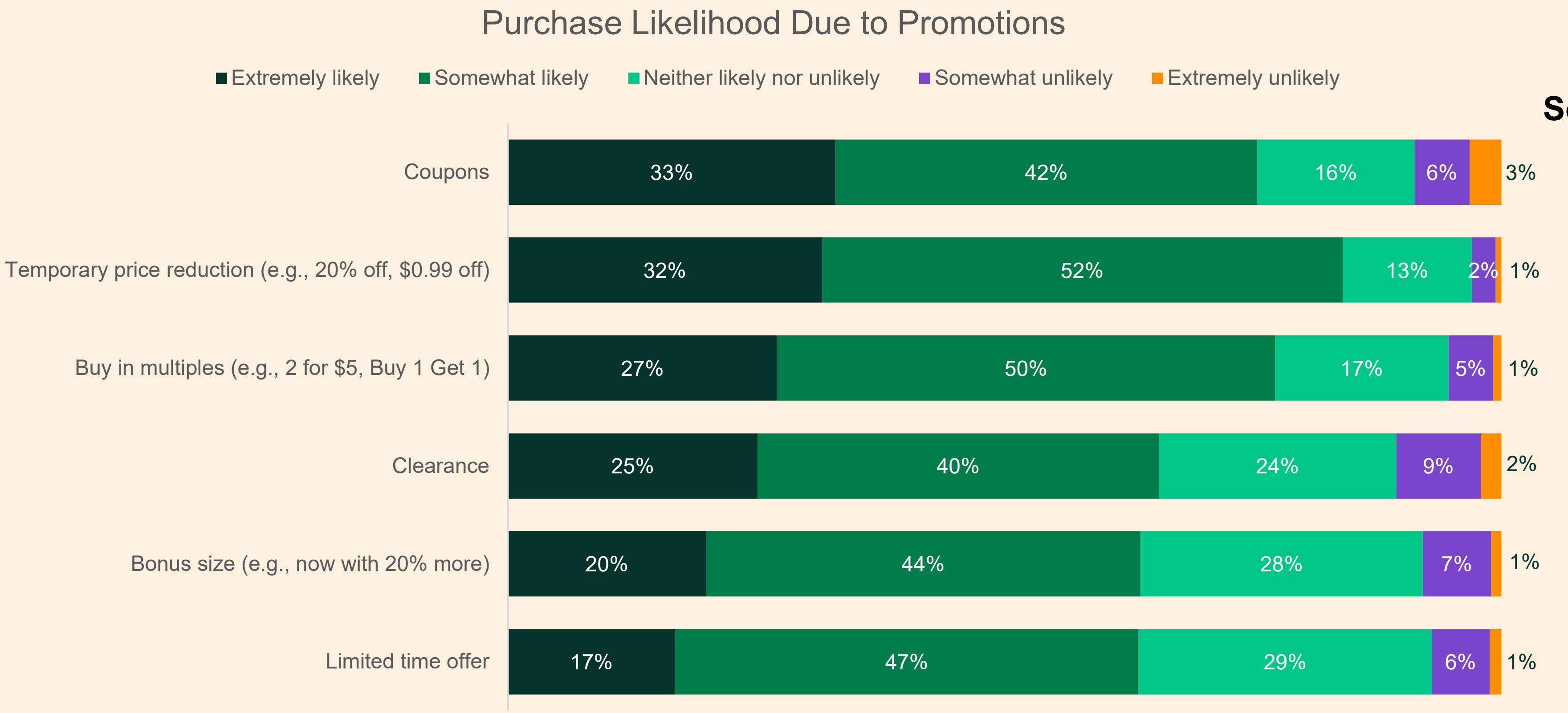




 Source: 2024 SMART Pricing Study *Bases: 1,440; 646*

Temporary price reductions, coupons, and multiples most motivating promotions

Q: How likely are you to purchase a grocery product based on these promotions?



Extremely + Somewhat Likely

75%

84%

77%

65%

64%

64%

Source: 2024 SMART Pricing Study

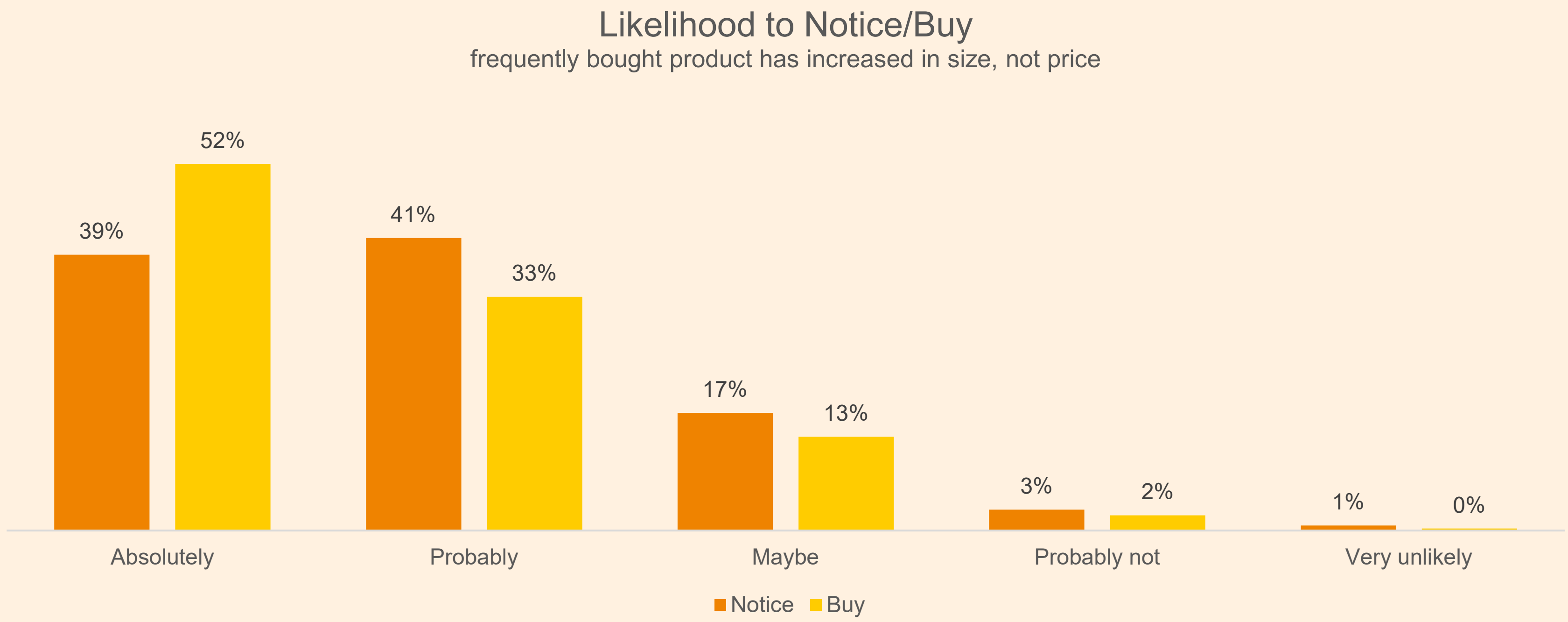
Base: 1,440

Shoppers expect they would notice and buy a familiar product that increased its size, but not its price

Q: If a product you buy regularly increased in size, but not its price, would you notice?
Q: If a product you buy regularly increased in size, but not its price, would you buy it?

80% Would Notice
if a product increased in size, but not price

85% Would Buy
a product that increased in size, but not price



- When a product increases in size but not price, 85% of shoppers expect they would buy the product, while fewer (80%) would notice the change
- Manufacturers may lose potential sales if they do not call attention to this type of change when it occurs

Finances & Purchase Decisions

60% of shoppers pressured by personal finances

Q: How would you describe your personal finances?

40% **“I'm comfortable -** my finances are in good shape”

- “Comfortable” shoppers more likely to shop at grocery stores and less likely to shop at Walmart
- More likely to say national brands important to their store choice
- More likely to have excess food on-hand at home

45% **“I'm managing -** money's tight with little leftover”

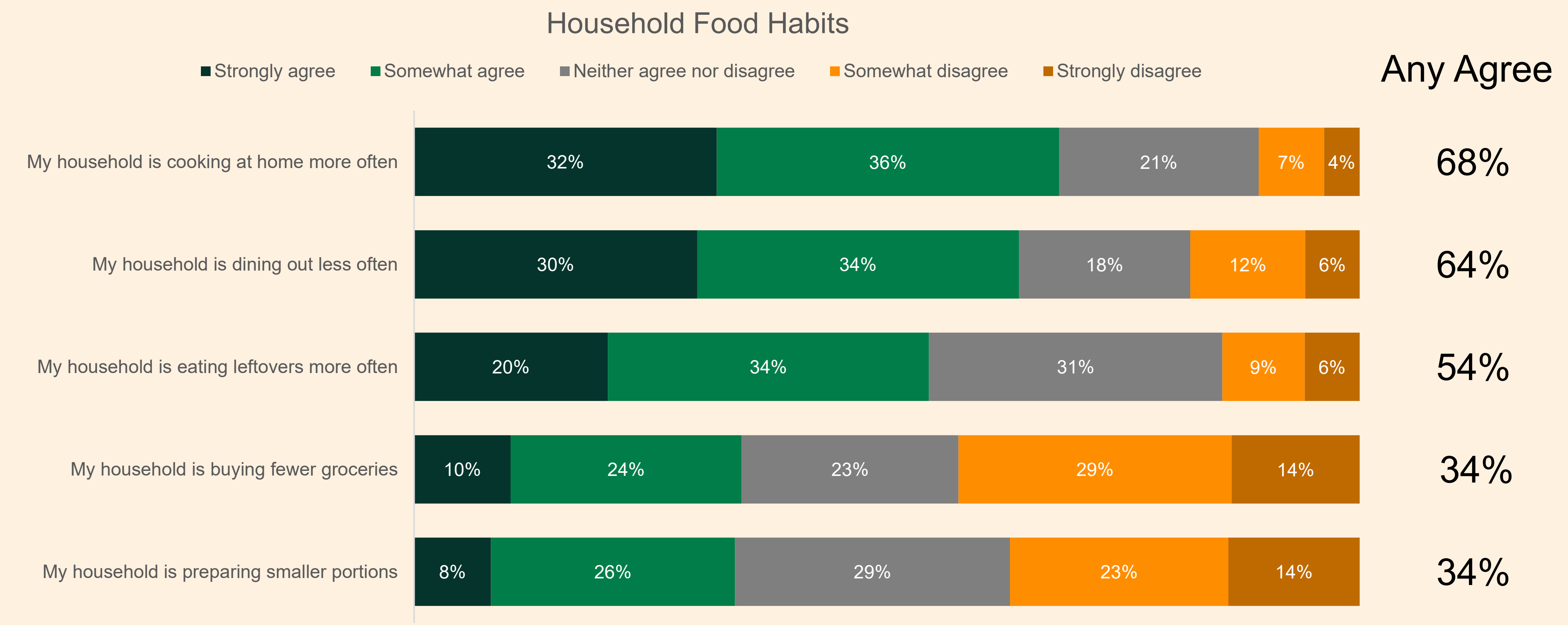
- “Managing” shoppers more likely to always consider the total price of an item
- SNAP and WIC eligibility more important to purchase decisions
- Dining out less often, and eating leftovers more often

15% **“I'm struggling –** I can’t keep up with current expenses without help”

- “Struggling” shoppers most likely to always consider both total item price and price per unit/count/ounce
- Lowest prices most important factor when choosing a retailer
- Most likely to be buying fewer groceries

2 in 3 consumers implementing strategies to stretch budgets: cooking more & dining out less

Q: Thinking about food consumption in your household, how much do you agree with the following statements?



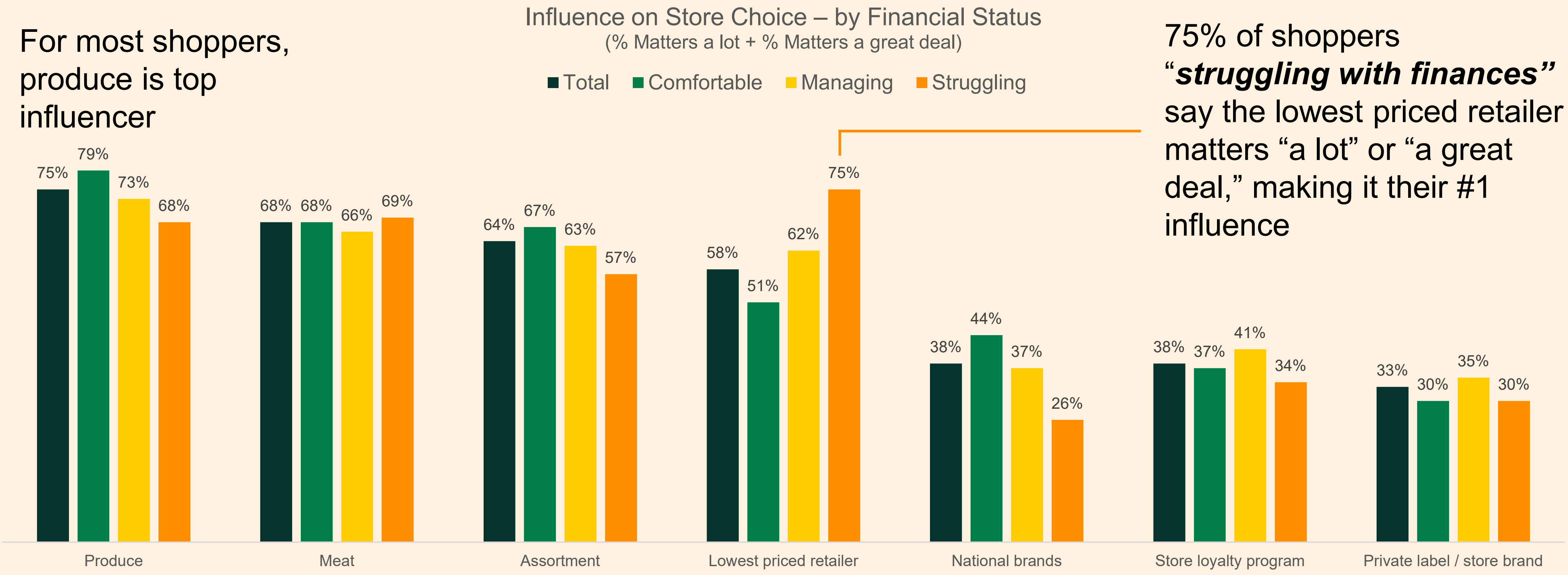
Source: 2024 SMART Pricing Study

Base: 1,440

Lowest price top store choice influencer for those struggling financially

Q: How much do the following matter to your store choice?

For most shoppers, produce is top influencer



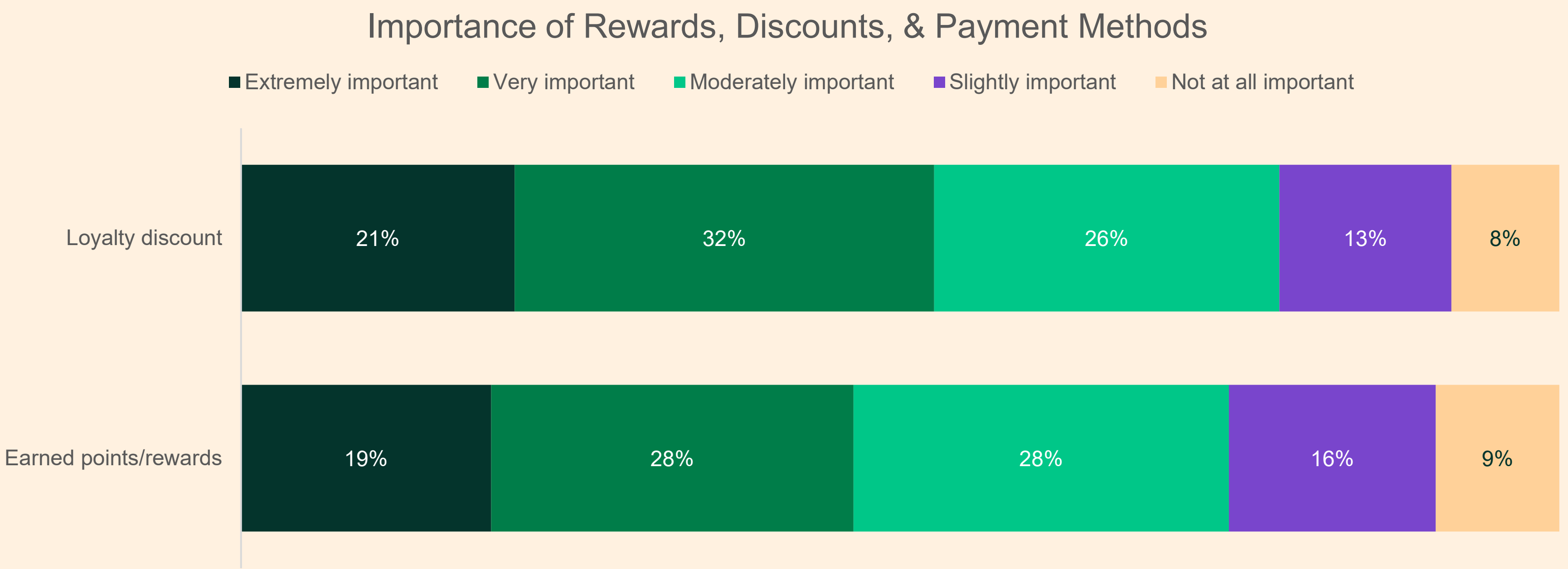
75% of shoppers "***struggling with finances***" say the lowest priced retailer matters "a lot" or "a great deal," making it their #1 influence

Source: 2024 SMART Pricing Study

Bases: 1,440; 583 Comfortable; 643 Managing; 214 Struggling

Loyalty discounts very important to more than half of shoppers

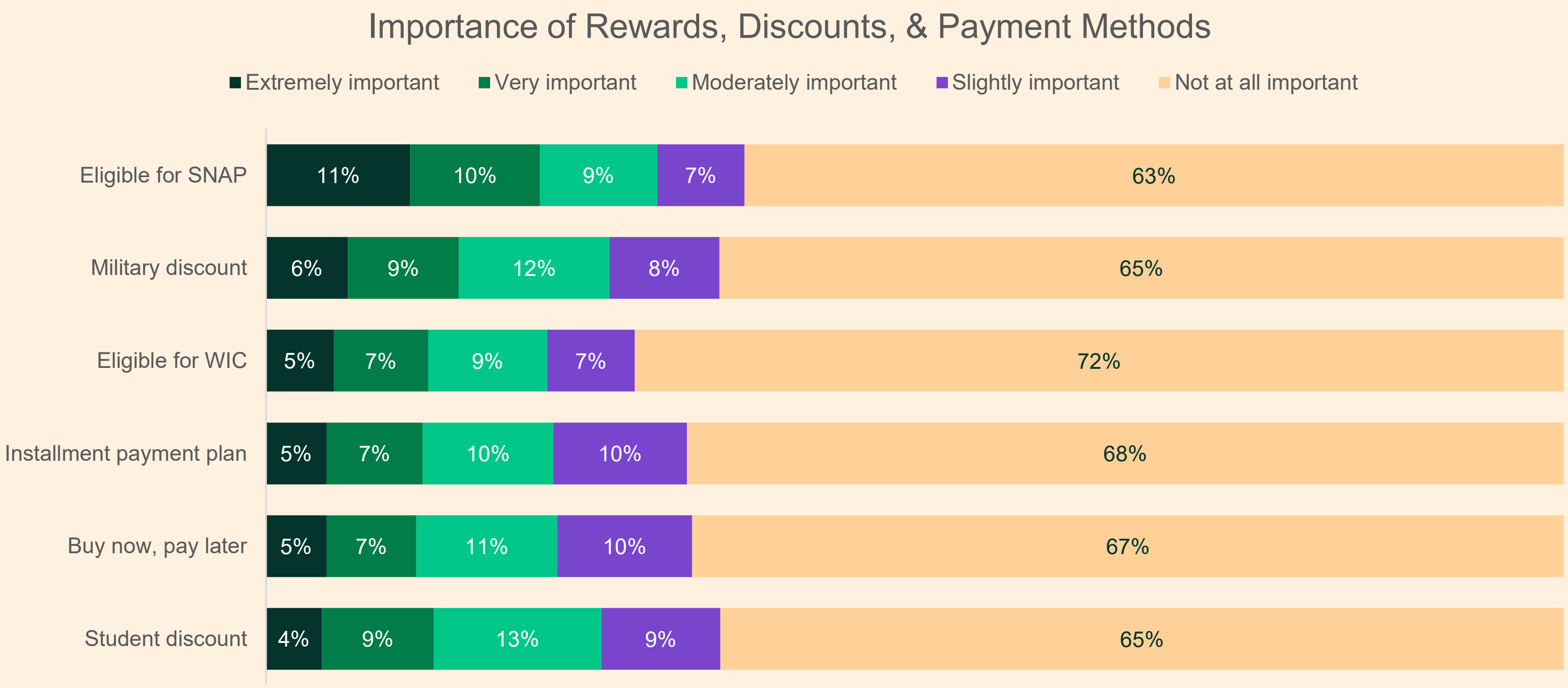
Q: How important are the following rewards, discounts, or payment methods to your grocery purchase decision?



Loyalty discounts much more important to primary grocery (57%) and club (57%) channel shoppers than Walmart (45%) primary shoppers

SNAP eligibility "very" or "extremely" important to 1 in 5 shoppers

Q: How important are the following rewards, discounts, or payment methods to your grocery purchase decision?



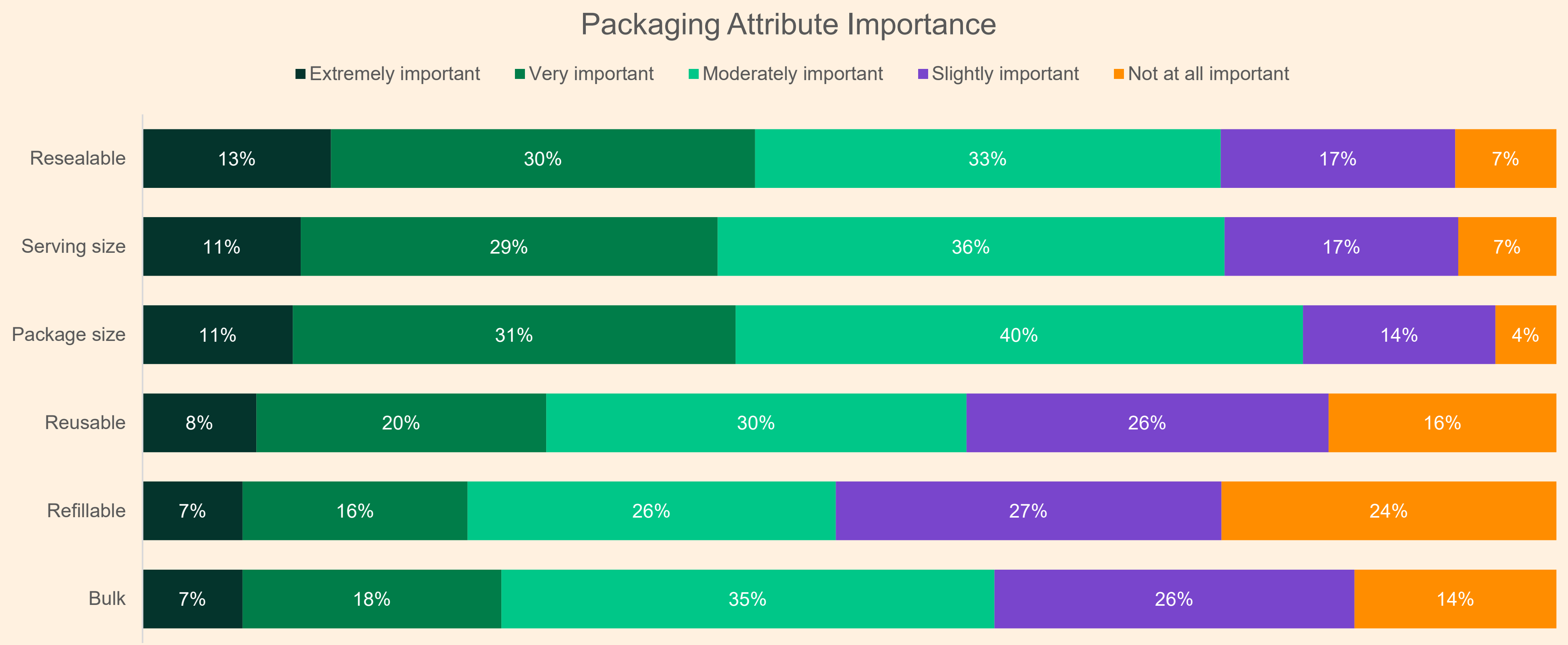
Few shoppers care about specific discounts, but the shoppers who do can be valuable as a group (e.g., SNAP shoppers spend an average of 20% more on groceries each month than non-SNAP shoppers)

Source: 2024 SMART Pricing Study; Numerator SNAP Shopper Scorecard

Base: 1,440

Shoppers find different packaging attributes important; likely influenced by category

Q: How important are the following packaging attributes to your grocery purchase decision?



Retailer Differences

Grocery shoppers

54% of shoppers choose the Grocery channel as their primary source of groceries. These shoppers are doing better than their peers financially. They are least likely to consider price per unit/count/ounce. Coupons may influence their purchase decisions.

- **Store loyalty program** matters *more* when choosing a store (45% | index 117)
- More likely to purchase a grocery product based on **coupons** (81% | index 107)
- *More* likely to have more **household goods** than usual on-hand (31% | index 230)
- *More* likely to have more **health/beauty care** than usual on-hand (24% | index 149)

Finances

45% Comfortable	**43%** Managing	**12%** Struggling

Pricing

80% Consider price of the item	**61%** Consider price per unit/count/ounce

Source: 2024 SMART Pricing Study *Base: 1,440; 772 (Gro.)*

Walmart shoppers

32% of shoppers choose Walmart as their primary source of groceries. Two-thirds of Walmart shoppers are facing financial pressures. They care about low prices in their retailer choice and purchase decisions.

- **Lowest priced retailer** matters *more* when choosing a store (66% | index 111)
- **Store loyalty program** matters *less* when choosing a store (27% | index 71)
- *More* likely to purchase a grocery product based on **clearance** (71% | index 108)
- *Less* likely to purchase a grocery product based on **coupons** (69% | index 91)

Finances

34%	47%	19%
Comfortable	Managing	Struggling

Pricing

77%	57%
Consider price of the item	Consider price per unit/count/ounce

Source: *2024 SMART Pricing Study*

Base: 1,440; 463 (Wal.)

Club shoppers

8% of shoppers choose Club stores as their primary source of groceries. They are most likely to consider price per unit/count/ounce in their purchase decision. They are likely to have more foods and non-foods than usual available at home.

- **Assortment** matters *less* when choosing a store (55% | index 86)
- *More* likely to purchase a grocery product based on **bonus size** (73% | index 115)
- *More* likely to have more **groceries** than usual on-hand (32% | index 173)
- *More* likely to have more **household goods** than usual on-hand (38% | index 282)

Finances

42% Comfortable	**47%** Managing	**11%** Struggling

Pricing

81% Consider price of the item	**64%** Consider price per unit/count/ounce

Source: 2024 SMART Pricing Study *Base: 1,440; 108 (Club)*

Thank you

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Appendix

Demographic Summary

		Total	Grocery	Walmart	Club
GENDER	Female	53%	52%	54%	51%
	Male	47%	48%	46%	49%
	Other	<1%	<1%	<1%	<1%
AGE	18-24	11%	8%	12%	16%
	25-34	15%	14%	17%	16%
	35-44	18%	17%	19%	16%
	45-54	17%	17%	17%	15%
	55-64	17%	19%	16%	18%
	65 or older	22%	25%	19%	20%
HOUSEHOLD INCOME	Less than $50,000	32%	27%	41%	29%
	$50,000 - $74,999	18%	17%	17%	26%
	$75,000 - $99,999	17%	18%	17%	10%
	$100,000 - $149,999	17%	18%	14%	18%
	$150,000 or more	17%	20%	11%	18%

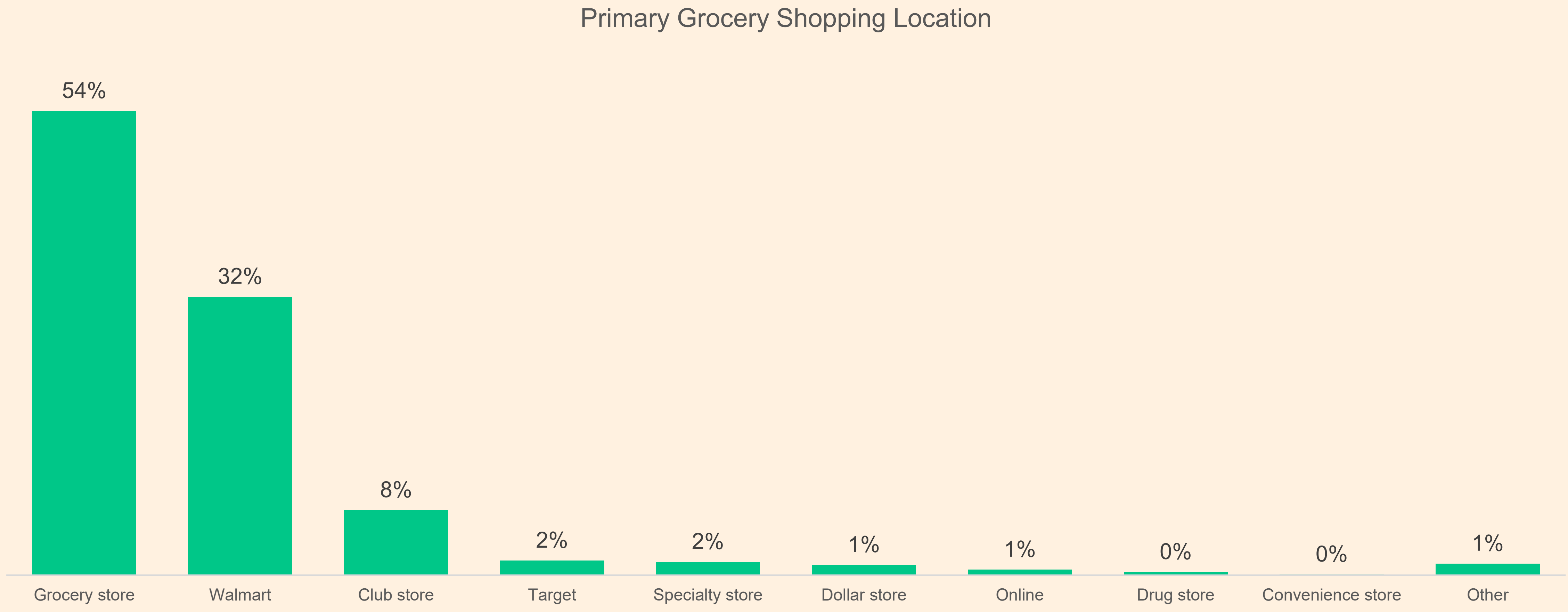
		Total	Grocery	Walmart	Club
RACE	White	78%	82%	76%	66%
	Black or African American	13%	10%	16%	18%
	Asian	4%	5%	2%	11%
	American Indian or Alaska Native	<1%	<1%	1%	2%
	Native Hawaiian or Pacific Islander	<1%	<1%	<1%	<1%
	Multi-racial	2%	2%	3%	1%
	Other	1%	1%	2%	3%
ETHNICITY	Spanish, Hispanic, or Latino	17%	15%	19%	21%
	None of these	83%	85%	81%	79%
PEOPLE IN HOUSEHOLD	1	19%	20%	17%	14%
	2	38%	40%	35%	32%
	3 to 4	33%	31%	37%	39%
	5 or more	10%	9%	11%	15%

Source: 2024 SMART Pricing Study

Bases: 1,440; 772 (Gro.); 463 (Wal.); 108 (Club)

1 in 3 shoppers choose Walmart as their primary source of groceries

Q: Where did you do most of your grocery shopping in the past year?



Reasons to stock up on groceries

*Q: You indicated that you have more **groceries** than usual on hand at home. Why? Please select all that apply.*

	Percent
Bought extra when there was a good price/sale	73%
Wanted to stock up	66%
Could afford to buy more	28%
Preparing for a potential emergency	20%
Worried they might be out-of-stock later	18%
Expect to feed more people at home*	16%
Only available for a limited time	15%
Preparing for an event/party*	6%

Some statements unique to* ***groceries*

Source: 2024 SMART Pricing Study *Base: 370*

Reasons to stock up on household products

*Q: You indicated that you have more **household products** than usual on hand at home. Why? Please select all that apply.*

	Percent
Bought extra when there was a good price/sale	81%
Wanted to stock up	54%
Could afford to buy more	22%
Preparing for a potential emergency	19%
Seasonal cleaning or maintenance*	15%
Worried they might be out-of-stock later	14%
Expect more people at home*	10%
Only available for a limited time	9%
Home renovation/decoration*	6%
Preparing for an event/party*	6%

Some statements unique to **household products*

Reasons to stock up on health/beauty care products

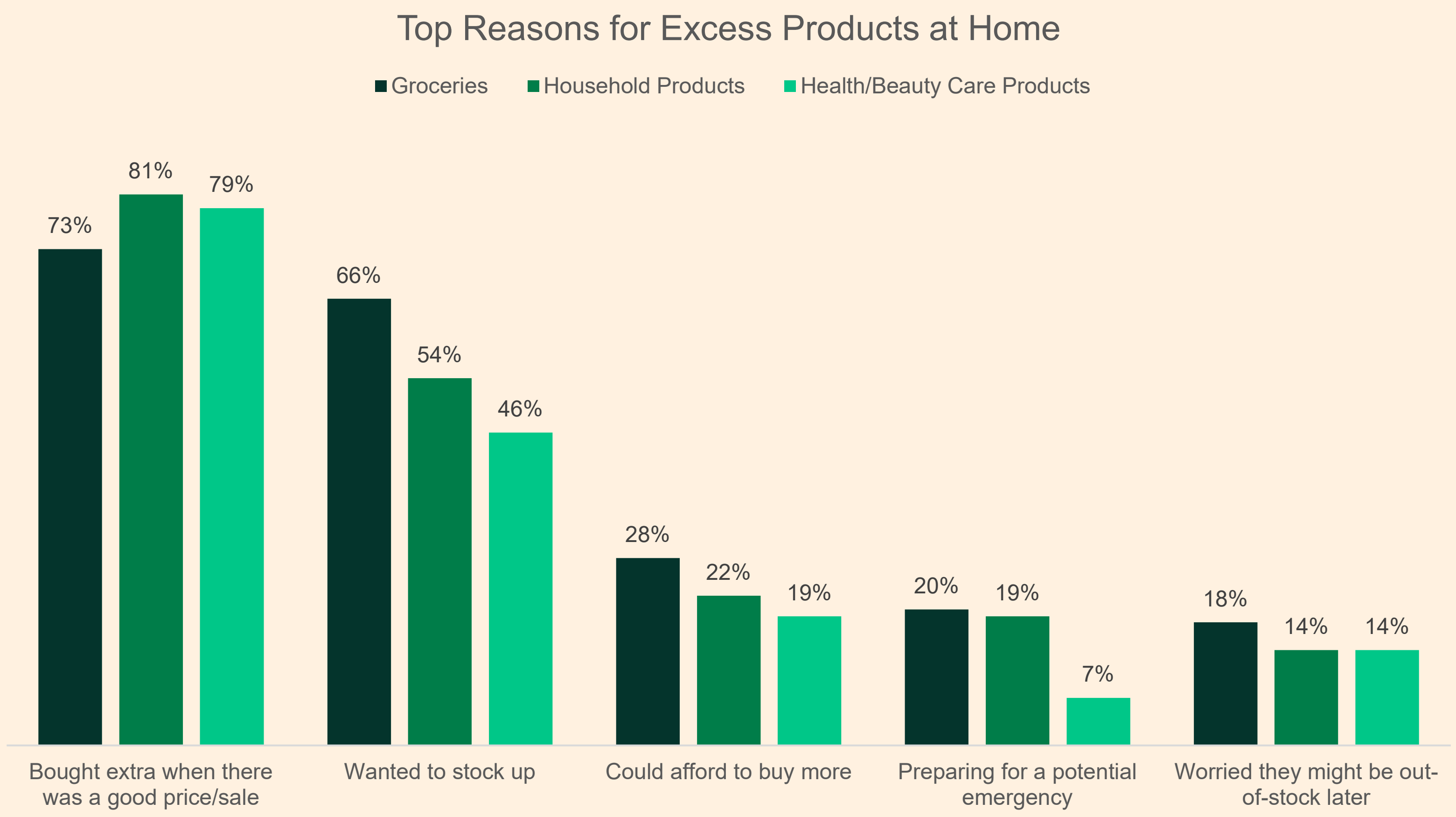
*Q: You indicated that you have more **health / beauty care products** than usual on hand at home. Why? Please select all that apply.*

	Percent
Bought extra when there was a good price/sale	79%
Wanted to stock up	46%
Could afford to buy more	19%
Worried they might be out-of-stock later	14%
Only available for a limited time	14%
Personal care routine has changed*	13%
Preparing for travel*	12%
Expect more people at home*	10%
Preparing for a potential emergency	7%

Some statements unique to **health/beauty care products*

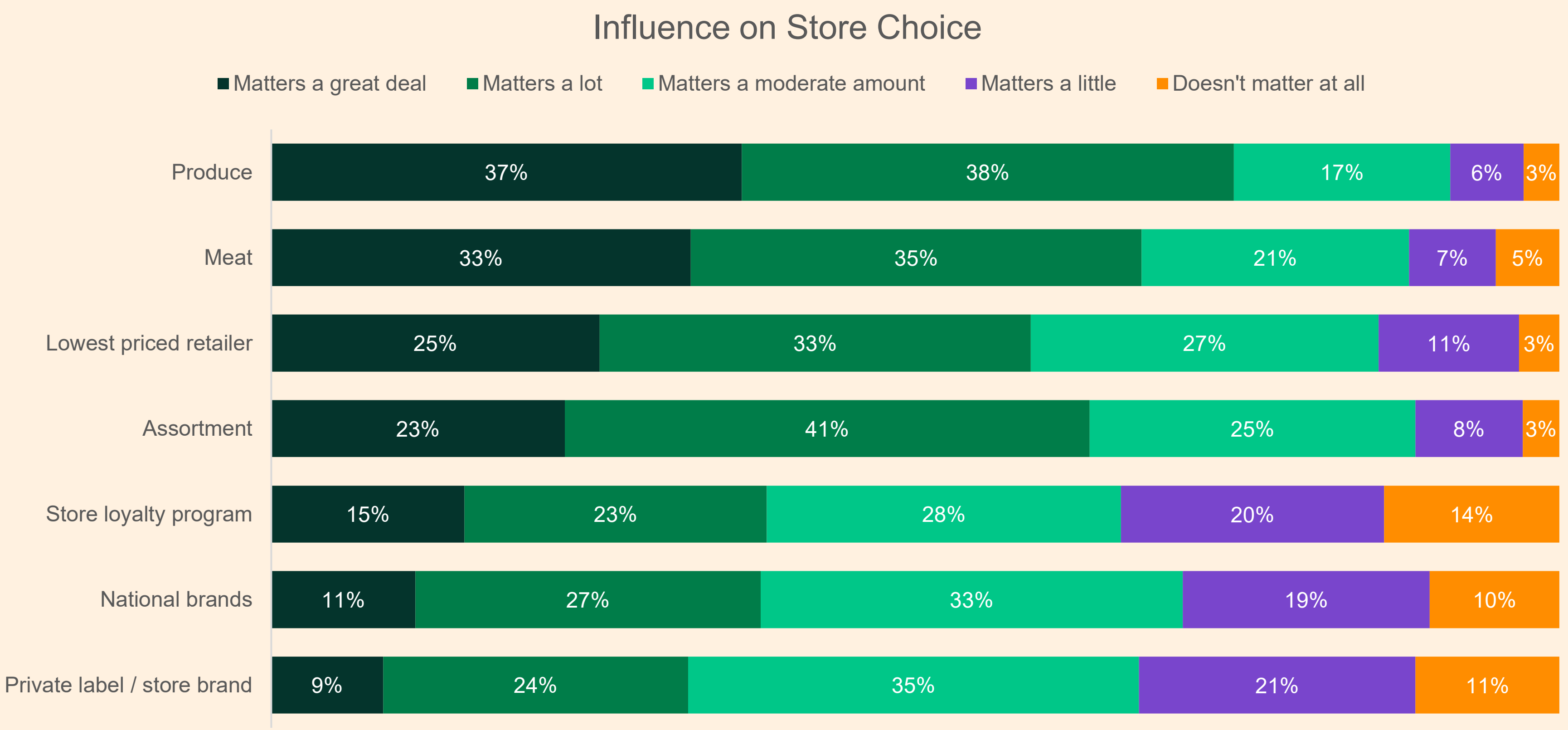
Shoppers with more on-hand motivated by good prices/sales

*Q: You indicated that you have more **groceries/household products/health & beauty care products** than usual on hand at home. Why? Please select all that apply.*



Produce and meat most important to store choice

Q: How much do the following matter to your store choice?



75% of shoppers "***struggling with finances"*** say the lowest priced retailer matters "a great deal" or "a lot," making it their #1 influence

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