ADADAPTED INSIGHTS:

THE CPG PRE-SHOP PLANNING REPORT

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INTRODUCTION

In today's shopping landscape, where CPG consumers navigate various channels, retailers, and an extensive array of SKUs, establishing a connection with shoppers during their pre-shop planning phase is critical for brands. Engaging with consumers during this crucial period equips CPG advertisers with valuable insights to shape strategies that influence consumer behavior and secure purchase decisions even before shoppers enter the store.

AdAdapted transforms shoppers' pre-buying intent signals into shoppable media solutions, reaching the right consumers at the right time to get CPG brands into shopping lists and carts. In The CPG Pre-Shop Planning Report, we explore findings from our survey of 2,600+ US consumers and data from the 190 million CPG products added to AdAdapted's network of digital grocery list apps to provide insight into the pre-purchase preparation shopping planning habits of individuals. With this knowledge, brands gain a competitive edge in developing highly effective strategies to captivate grocery shoppers during this pivotal planning phase.

EXPLORE FINDINGS FROM OUR SURVEY OF 2,600+ US CONSUMERS AND DATA FROM THE 190 MILLION CPG PRODUCTS ADDED TO ADADAPTED'S NETWORK OF DIGITAL GROCERY LIST APPS

FOUR KEY TAKEAWAYS

01 EVERY GREAT PLAN **STARTS WITH A LIST**

The foundation of pre-shop grocery planning lies in both the traditional “pen-and-paper” list and the growing popularity of digital grocery lists, with a significant 82.1% of consumers stating that they frequently or consistently use either of these methods.

02 **BEYOND COUPONS:** SHOPPERS HAVE MANY POWERFUL PRE-SHOP INFLUENCES

While coupons and discounts may be king, recipes, special occasions, and health/diet planning heavily influence pre-shop grocery planning decisions and represent targetable, brand-building marketing opportunities.

03 PRE-SHOP GROCERY PLANNING = **IN-STORE AND ONLINE SALES**

Marketing to the pre-shop grocery consumer isn’t just about driving awareness; it represents the best opportunity for a brand to end up in consumers’ physical and digital baskets.

04 **FOUR STRATEGIES** TO WIN THE PRE-SHOP GROCERY CONSUMER

From behavior-based contextual targeting to converting awareness impressions into consideration and ultimately purchase, data-driven strategies surgically and measurably target and convert the pre-shop grocery consumer.

01

EVERY GREAT PLAN STARTS WITH A LIST

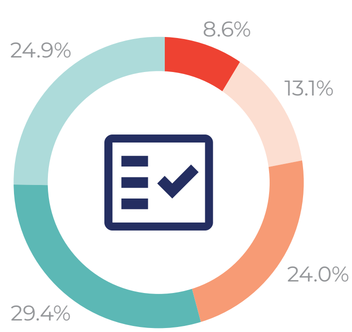
Whether planning a trip, a wedding, or a birthday party, every great plan starts with a list. With the average grocery store containing 40,000 to 50,000 items, it shouldn't be surprising that 98.3% of people surveyed use a shopping list for their grocery planning, and 80.1% "often" or "always" use one.

While the original shopping list dates back to 2,000 years B.C., today, consumers have two types of grocery shopping list options – pen-and-paper and digital, and both are equally popular. In fact, 82.1% of consumers use both pen-and-paper and digital grocery shopping lists. 54.3% of survey respondents use pen-and-paper while 49.6% note using a digital grocery list "often" or "always."

98.3%

OF CONSUMERS USE A SHOPPING LIST FOR THEIR GROCERY PLANNING

HOW OFTEN DO YOU USE A PEN-AND-PAPER GROCERY LIST?



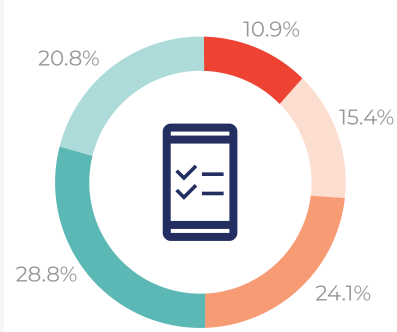
PEN-AND-PAPER + DIGITAL GROCERY LIST

98.3%
Use Either Pen-and-Paper or Digital Grocery Shopping List

82.1%
Use Both Pen-and-Paper and Digital Grocery Shopping List

80.1%
Use Either Pen-and-Paper or Digital Grocery Shopping List Often/Always

HOW OFTEN DO YOU USE A DIGITAL GROCERY LIST?



ALWAYS | OFTEN | SOMETIMES | RARELY | NEVER

DEMOGRAPHIC INSIGHT

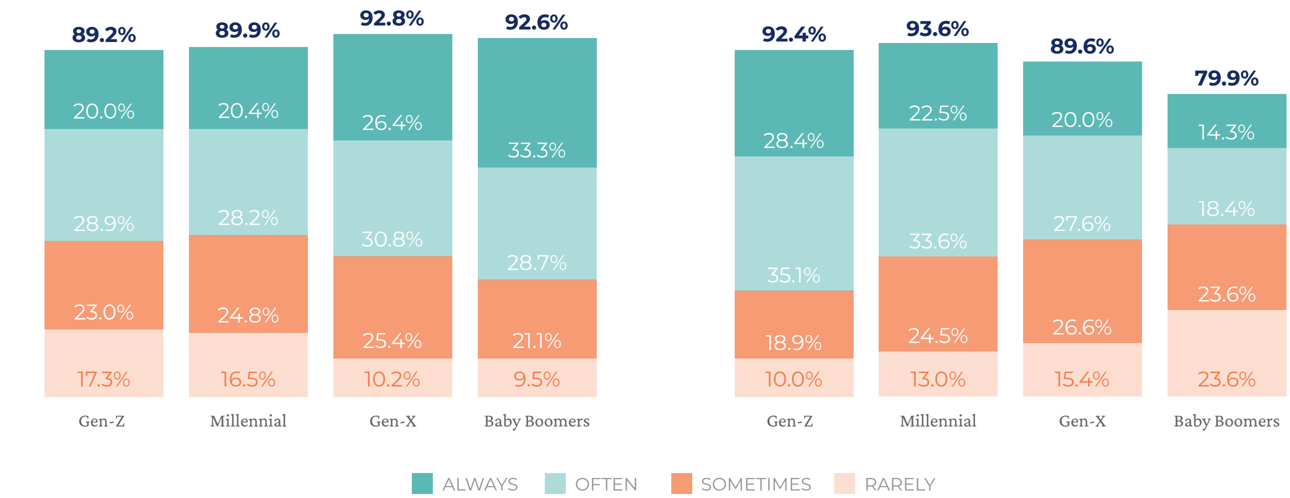
Age groups do not solely determine the preference for pen-and-paper versus digital grocery lists. Surprisingly, most individuals across all age demographics utilize both types of lists. In terms of frequent or consistent usage (“often/always”), there is a significant preference for both formats among all age groups. However, younger demographics such as Gen Z and millennials tend to lean towards digital lists. In comparison, older demographics like Gen X and baby boomers are more inclined towards pen-and-paper lists.

LIST USAGE: PEN-AND-PAPER

How often do you use a pen-and-paper grocery list?

LIST USAGE: DIGITAL

How often do you use a digital grocery list?

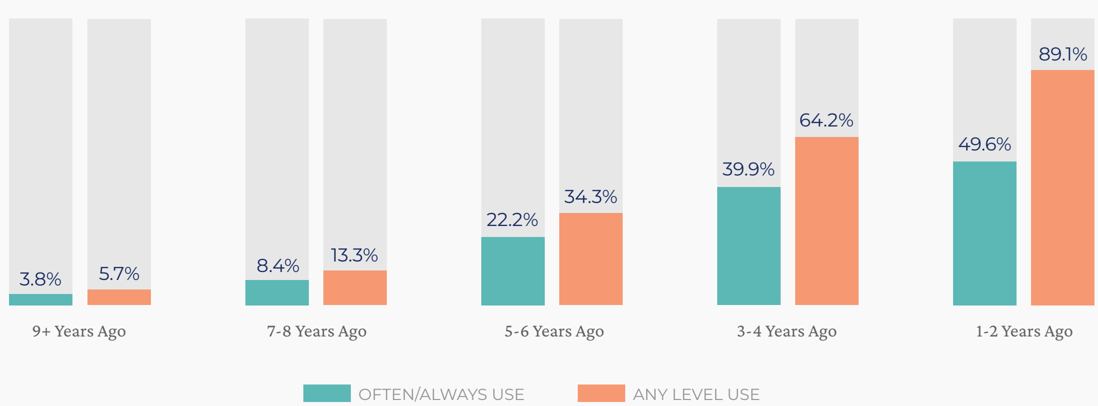


THE GROWTH OF DIGITAL GROCERY SHOPPING LIST ADOPTION

Much of the growth in the use of digital grocery lists has occurred over the last decade, with adoption accelerating over the previous five to six years.

GROWTH OF DIGITAL GROCERY LIST USERS

How many years ago did you start using a digital grocery list?

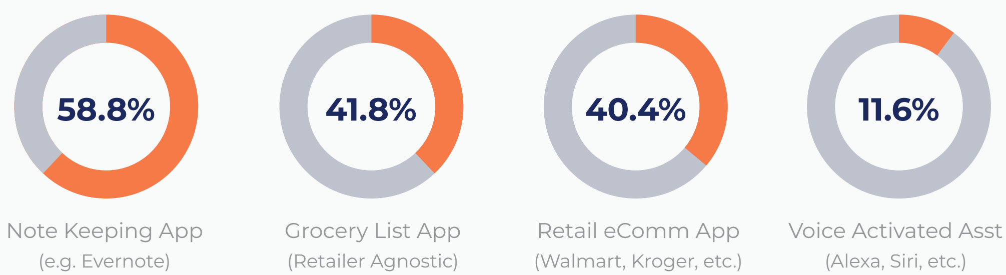


MORE THAN ONE TYPE OF DIGITAL GROCERY LIST

Consumers have a range of digital options available for managing their grocery lists. Basic note-keeping apps are the most popular form (58.8% of consumers), followed by grocery shopping list apps (41.8%) and retail eCommerce apps (40.4%), which offer richer functionality for identifying and selecting specific grocery store items. While voice activated assistants are the newest digital tool for grocery shoppers, it is currently a distant fourth in adoption (11.6%). While most consumers use one of these digital grocery list options, 36.5% use two or more.

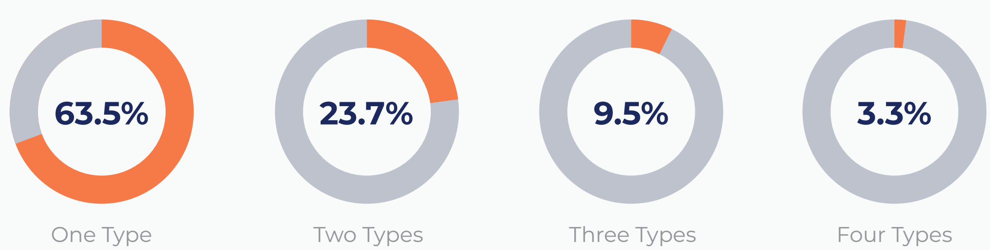
DIGITAL GROCERY LISTS | ADOPTION BY TYPE*

What types of digital grocery lists do you use?



DIGITAL GROCERY LISTS | NUMBER OF TYPES USED*

How many different types of digital grocery lists do you use?



**Based on consumers who say they "often" or "always" use a digital grocery list*

02

BEYOND COUPONS: PRIMARY INFLUENCES ON PRE-SHOP DECISION MAKING

NON-MARKETING ACTIVITIES PRESENT BRAND-BUILDING OPPORTUNITIES

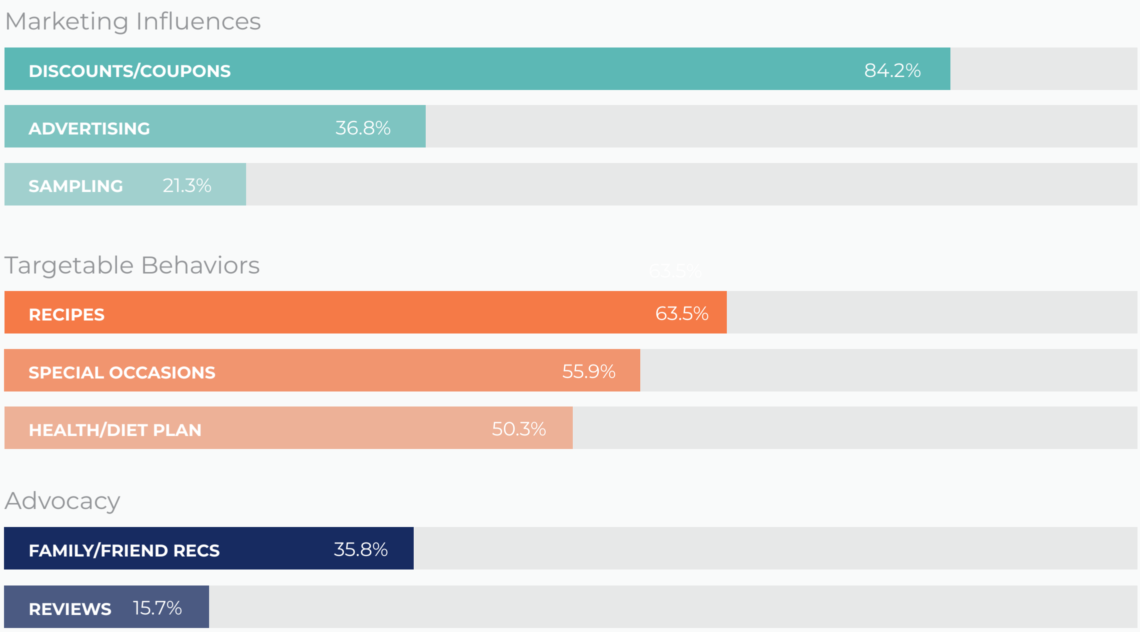
Unsurprisingly, the largest percentage of survey respondents cite “discounts and coupons” as an influencing factor as to what items are included on their grocery list. While discounts and coupons effectively motivate purchase, they erode margin and are not the most desirable brand-building marketing activity. Fortunately, brands can tap into several other opportunities that strongly influence consumers’ pre-shop planning.

Over half of the respondents cite “recipes,” “special occasions” (holiday dinners, birthdays, etc.), and “health/diet plans” as influential factors that shape the items they add to their grocery lists. These insights allow brands to contextually target advertising and other marketing efforts, focusing on specific products, ingredients, or occasions that resonate with consumers during their pre-shop planning.

In contrast, advocacy from friends and family or through third-party product reviews have the lowest influence on pre-shop planning.

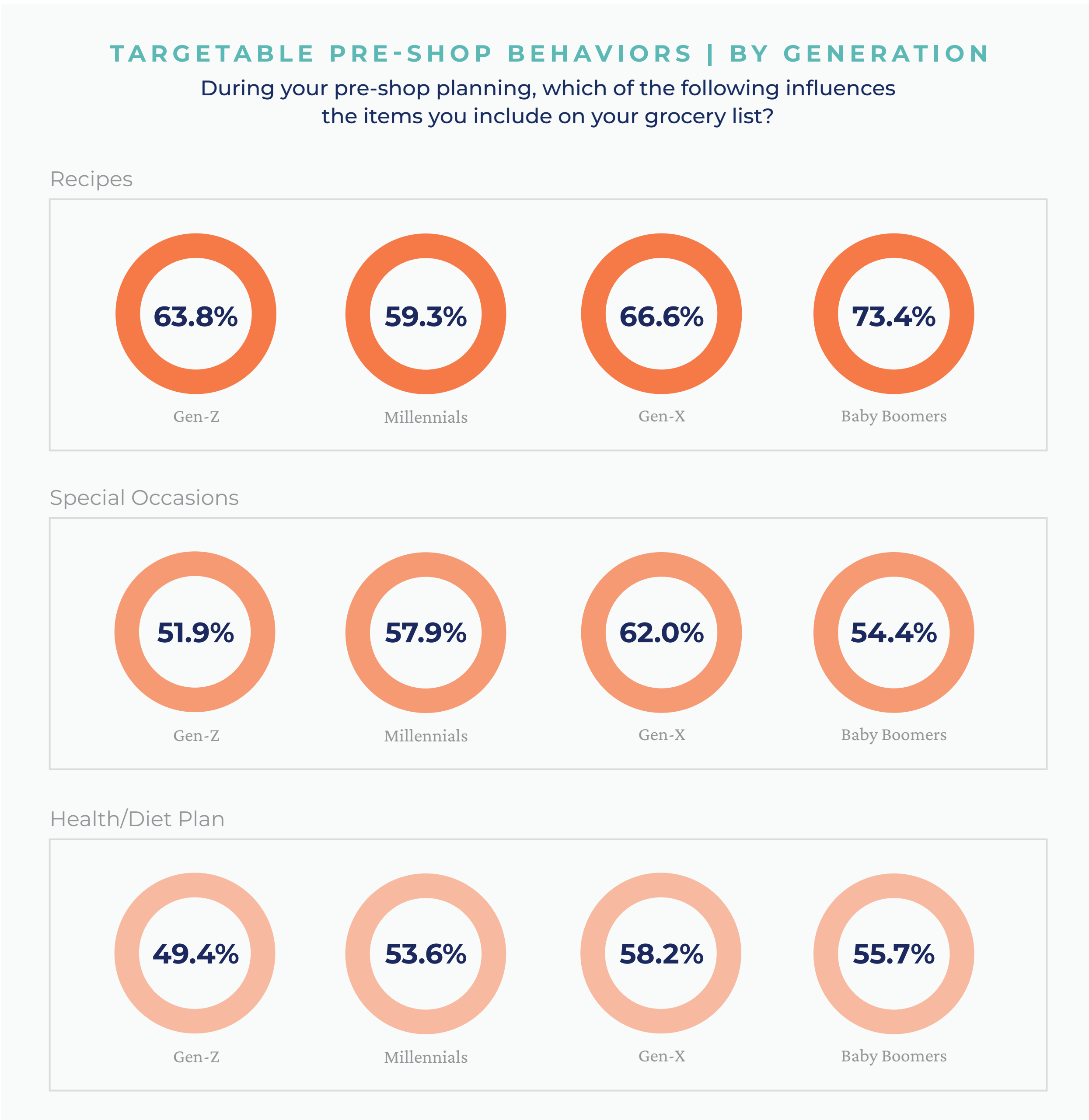
HOW CONSUMERS ARE INFLUENCED

During your pre-shop planning, which of the following influences the items you include on your grocery list?



TARGETABLE BEHAVIORS BY DEMOGRAPHIC

The influence of recipes, special occasions, and health/diet plans on consumers' pre-shop planning is significant across all key demographics. When it comes to age, each generation is influenced by each of these targetable behaviors. Recipes have the greatest influence on baby boomers (73.4%) and Generation X (66.6%), and special occasions have the most significant effect on Generation X (62.0%) and millennials (57.9%). Health/diet plans have the most significant impact on Generation X (58.2%) and baby boomers (55.7%).



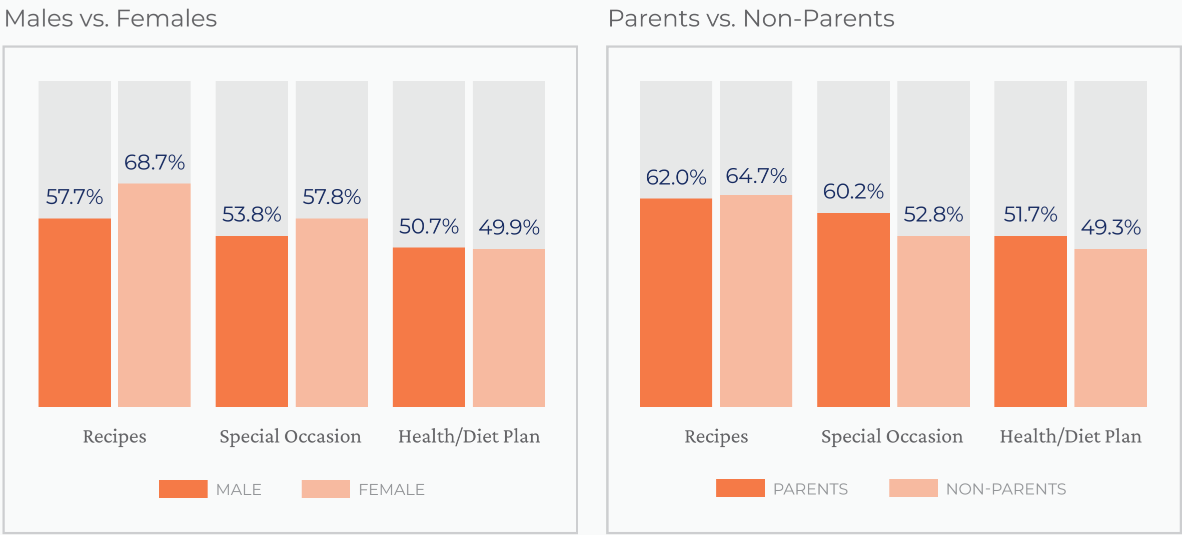
THE INFLUENCE OF RECIPES, SPECIAL OCCASIONS, AND HEALTH/DIET PLANS ON CONSUMERS' PRE-SHOP PLANNING IS SIGNIFICANT ACROSS ALL KEY DEMOGRAPHICS.

Traditional gender stereotypes do not align with the findings. Although a higher percentage of females (68.7%) compared to males (57.7%) state that recipes influence their shopping lists, the influence is strong for both genders. Regarding health and diet, the pre-shop sway is nearly equal, with males (50.7%) slightly ahead of females (49.9%).

Moreover, parents with children under 18 living at home index higher on the influence of special occasions (60.0% to 52.8%), while there was more similarities than differences with respect to the pre-shop influence of recipes and health/diet plan.

TARGETABLE PRE-SHOP BEHAVIORS | BY HOUSEHOLD

During your pre-shop planning, which of the following influences the items you include on your grocery list?



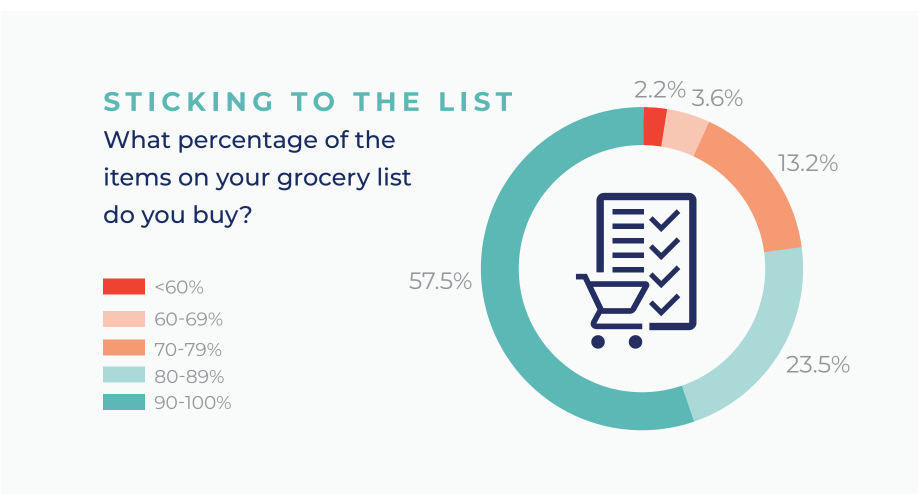
03

PRE-SHOP PLANNING = IN-STORE AND ONLINE SALES

Marketing to the grocery consumer in pre-shop mode isn't just about driving awareness; it represents the best opportunity for a brand to end up in a consumer's physical and digital basket. Simply put – if you win at pre-shop, you win at the physical and digital shelf; if you don't capture shopper intent during pre-shop planning, the opportunity to sell your product is much smaller.

GROCERY SHOPPING LISTS ARE PREMIER CPG REAL ESTATE

If a brand successfully gets its item on a consumer's grocery list, the chances of it getting purchased are incredibly high. On average, survey respondents indicate they buy 87.5% of the items on their grocery list, with 57.5% saying they purchase 90-100% of the items on their list and 23.5% noting they buy 80-89% listed items.



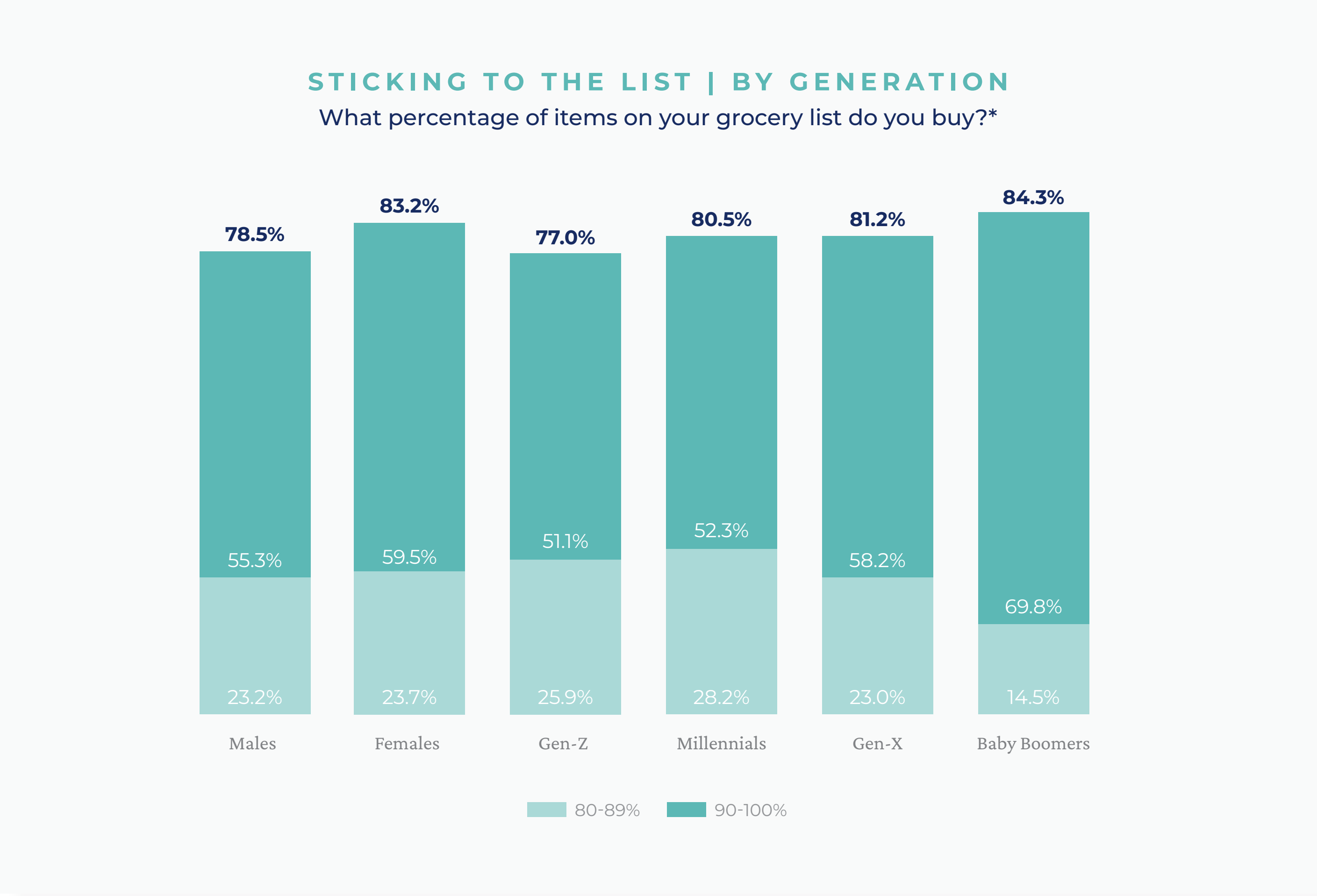
87.5%

OF THE ITEMS ON CONSUMERS' GROCERY LISTS ARE PURCHASED

DEMOGRAPHIC INSIGHT

The high conversion rate from grocery list to actual purchase remains consistent across all age groups and genders, albeit with a slightly higher rate among females compared to males. Interestingly, the percentage of items purchased from the grocery list increases as age advances, with an impressive 84.3% of baby boomers buying over 80% of the listed items and 69.8% of that generation successfully purchasing 100% of the grocery list items.

> **THE HIGH CONVERSION RATE FROM GROCERY LIST TO ACTUAL PURCHASE REMAINS CONSISTENT ACROSS ALL AGE GROUPS**



*Consumers who purchase 80%+ of items on grocery list

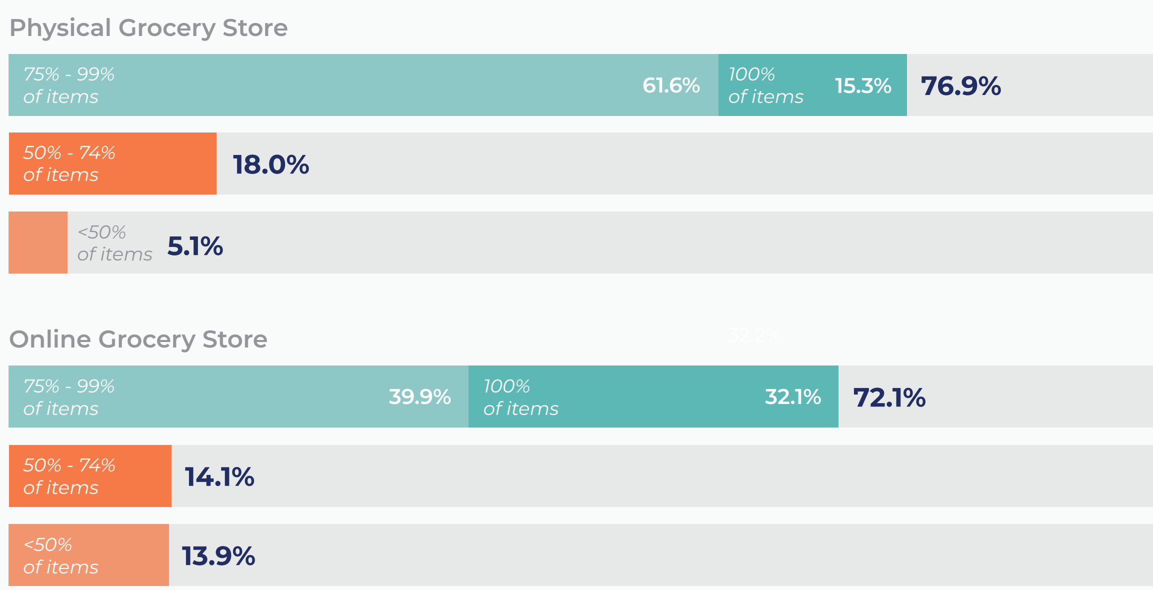
PLANNED PURCHASES DOMINATE THE MAJORITY OF GROCERY SHOPPING

> **IF CONSUMERS DON'T INCLUDE AN ITEM IN THEIR PLAN, THE LIKELIHOOD OF THEM BUYING IT DROPS SIGNIFICANTLY**

Most grocery shoppers plan out most of their purchases. Consequently, if consumers don't include an item in their plan, the likelihood of them buying it drops significantly. When comparing planned purchases in physical grocery stores to online grocery stores, a similar proportion of consumers report that 75-100% of their grocery store purchases are planned. Specifically, 76.9% of physical grocery store purchases and 72.1% of online grocery store purchases fall into this category. However, there is a notable difference when examining consumers who report that 100% of their grocery store purchases are planned. Among physical grocery shoppers, 15.3% indicate that all their purchases are planned, while a considerably higher percentage of online grocery shoppers (32.1%) state the same. The survey indicates that it becomes challenging to encourage a third of online grocery shoppers to deviate from their planned purchases.

IN-STORE VS ONLINE PRE-SHOP PLANNING

When buying groceries, what percentage of the items you purchase are planned?
(i.e. not "unplanned, impulse purchases")



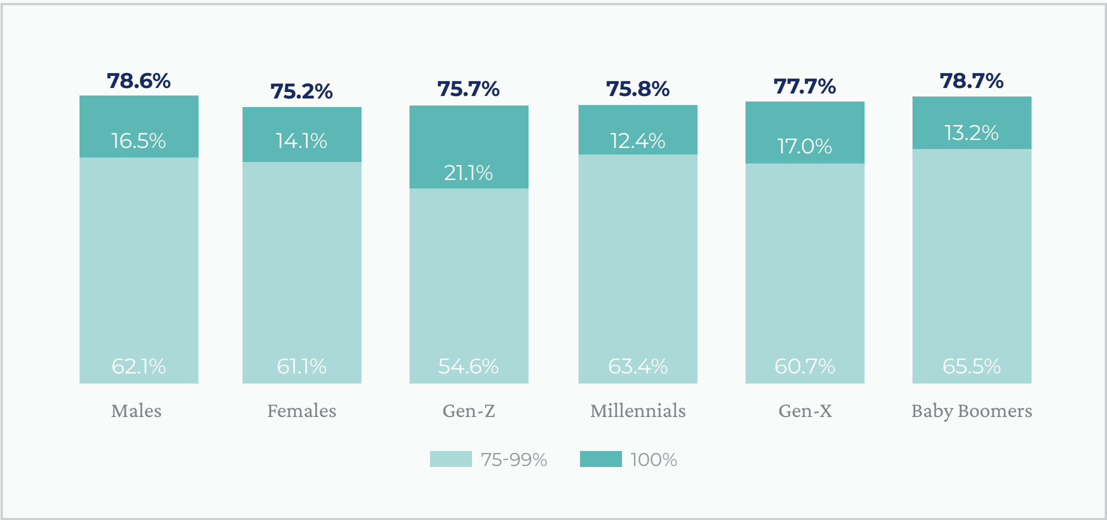
DEMOGRAPHIC INSIGHT

Looking at the demographics, the proportion of planned purchases made at brick-and-mortar grocery stores remains relatively consistent regardless of age or gender. Although the findings for online grocery shopping show a similar pattern across different demographic groups, there is a slight variation when it comes to age. Specifically, millennials and Gen X have the highest rate of 75% or more planned purchases. On the other hand, baby boomers report the highest proportion of individuals who plan 100% of their purchases.

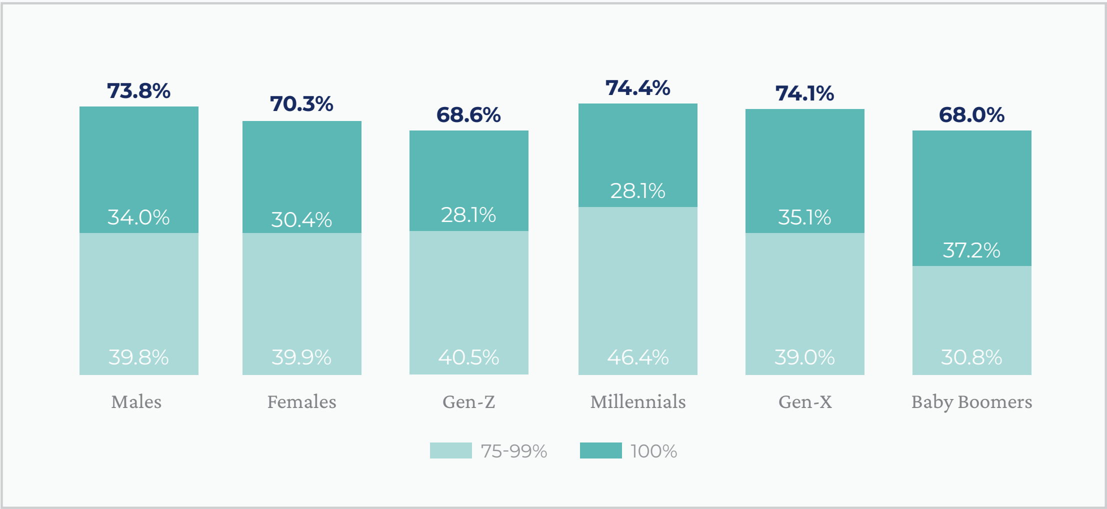
IN-STORE VS ONLINE PRE-SHOP PLANNING | BY GENERATION

When buying groceries, what percentage of the items you purchase are planned?
(i.e. not "unplanned, impulse purchases")

Physical Grocery Store



Online Grocery Store



**Consumers who purchase 80%+ of items on grocery list*

04

FOUR STRATEGIES TO WIN THE PRE-SHOP CONSUMER

INFLUENCE SHOPPERS IN THE PLANNING PHASE

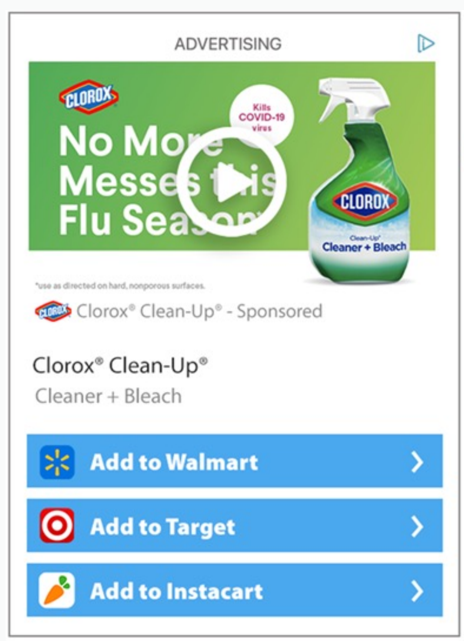
Harnessing data-driven strategies, advertisers can precisely target and convert pre-shop grocery consumers, bridging the gap from behavior-based contextual targeting to transforming awareness impressions into consideration and, ultimately, purchase. These data-driven tactics enable advertisers to reach and engage with the pre-shop grocery audience, strategically influencing their behavior and driving conversion.

01 PRE-SHOP PLANNING = MULTI-RETAILER

While retail media networks (RMNs) are powerful solutions because of their ability to leverage customer purchase data to fuel effective programmatic advertising, they are, by definition, a single retailer solution. The "one retailer option" is problematic when targeting the pre-shop planning consumer because CPG shoppers visit 5.2 unique store brands across 3.6 channels per month.* For this reason, marketers must complement RMNs with multi-retailer marketing strategies to provide consumers with purchase options that align with how they shop.

**FMI U.S. Grocery Shopper Trends, 2023*

MULTI-RETAILER SHOPPABLE ADS



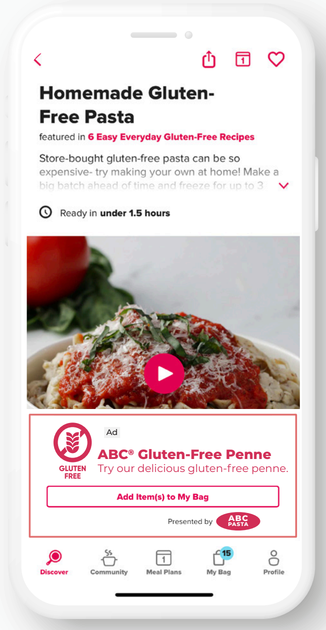
Providing consumers retailer choices makes it easier to influence omnishoppers

02 CONTEXTUALLY TARGET PRE-SHOP ACTIVITIES

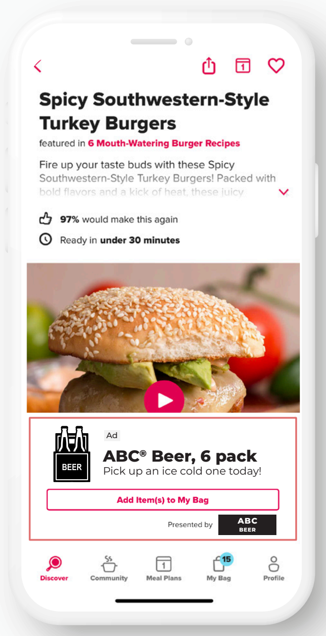
Brand advertisers can harness the power of pre-shop activities like recipe exploration, diet planning, and meal preparation to impactfully target consumers with relevant advertisements. For instance, when a consumer searches for gluten-free pasta recipes, this presents an ideal opportunity for marketers to deliver contextually tailored ads promoting their gluten-free pasta brand. This contextual targeting goes beyond promoting specific ingredient products mentioned in the recipes. Any gluten-free brand can seize the chance to target its products toward consumers who exhibit a strong interest in finding gluten-free food solutions.

Moreover, advertisers can leverage contextual targeting based on meal occasions. For example, a beer brand can specifically target consumers seeking BBQ recipes, aligning their advertising with relevant meal moments.

CONTEXTUALLY TARGETED ADS



Target by ingredient or diet plan



Target by meal occasion

03 TARGET BRANDED AND UNBRANDED GROCERY LIST PRODUCTS

The growth in digital grocery shopping lists as a pre-shop planning tool creates new opportunities for CPG brands to deliver highly-targeted advertising. Consumers place both branded (e.g., "Corona") and in the majority of cases, unbranded items on their grocery lists, which provides brands with valuable first-party, one-to-one insight to conquest competitors and capture undecided shoppers.

Compared to historical purchase data, grocery list items provide uniquely differentiated insight to target consumers. Purchase data leverages historical shopping habits to predict future behavior. However, behavior can change for various reasons; sickness, a new diet plan, participation in Dry January, etc. When shoppers put an item on a grocery list, it's indicative of near-term future purchase – and that is precisely the moment when brands need to reach them.

BRANDED VS UNBRANDED GROCERY LIST ITEMS

Variations based on CPG category

Digital grocery list products added per 1,000 users

BEER	
UNBRANDED BEER	208.9
MILLER	8.7
COORS	8.5
CORONA	8.0
BUD LIGHT	6.2
GUINNESS	5.8

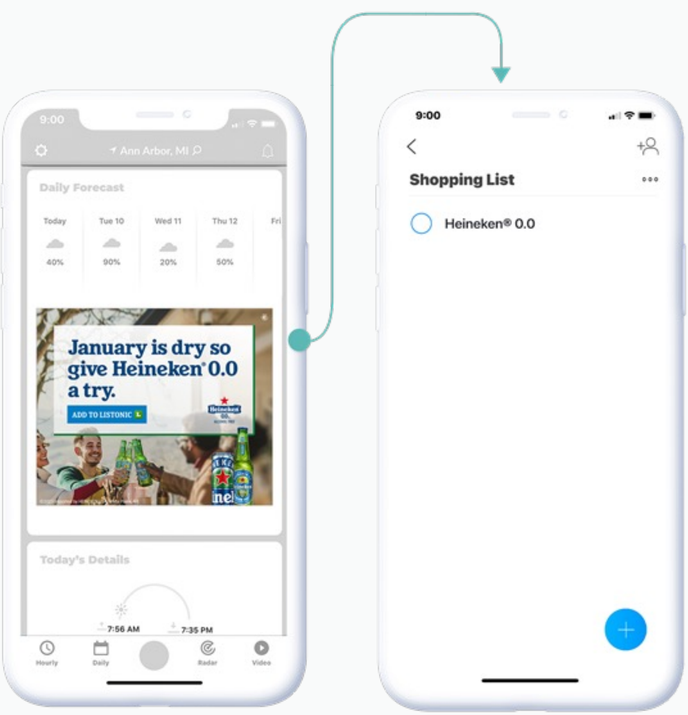
LAUNDRY SUPPLIES	
UNBRANDED LAUNDRY DETERGENT/SUPPLIES	170.0
TIDE	99.7
DOWNY	40.1
BOUNCE	20.4
SHOUT	19.9
GAIN	12.1

FROZEN PIZZA	
UNBRANDED PIZZA/ FROZEN PIZZA	45.3
RED BARON	1.5
TOTINO'S	1.1
DIGIORNO	1.0
JACK'S	0.7
TOMBSTONE	0.4

04 TURN IMPRESSIONS INTO ACTION

While awareness campaigns hold significant value, the opportunity for converting ad impressions to an immediate purchase (“buy now”) is not as likely for CPG brands compared to advertisers in sectors like electronics or clothing. Additionally, ad recall during grocery shopping is often challenging due to the overwhelming array of 40,000 to 50,000 product choices in an average store.

The increasing adoption of digital grocery shopping presents a promising “Save Now, Buy Later” solution for CPG advertisers. By simply clicking on an Add-to-List shoppable ad, consumers can effortlessly add a product to their digital grocery shopping app, ensuring that they will view it again during their next grocery shopping trip. This approach can be likened to a 100% retargeted impression, guaranteeing interested consumers will view the product on their subsequent visit to a physical or online grocery store.



ADD-TO-LIST SHOPPABLE MEDIA

A single-click advertising solution conveniently saves favored items to consumers’ grocery list apps for their next purchase

ABOUT ADADAPTED

AdAdapted is an advertising technology solution that increases purchase intent and product trial of shoppers by reaching the right consumers at the right time to get brands onto shopping lists and into carts. The company offers several solutions to drive in-store and online sales leveraging digital shopping lists, display, eCommerce, video, keyword and other touch points for CPG brands, agencies and retailers. Media can be run through managed service, self-service, and SaaS platforms. With more than 110 million U.S. shoppers using mobile devices for their grocery lists, AdAdapted has built a distinct audience and ad offering that uses first-party shopping behavior and product preference-based targeting, providing the easiest, most efficient way to reach active verified shoppers — exactly when they decide what to buy.

ADADAPTED HELPS BRANDS CONNECT AND CONVERT WITH AN AD SOLUTION THAT WORKS

ADADAPTED