

# BEST PRACTICES FOR GROCERY MARKETING

---

Adapt Your Strategy in Response to a  
Changing Market



# TABLE OF CONTENTS

- 
- 01 Grocery Marketing Challenge: Inflation & Rising Prices Continue to Disrupt Traffic & Sales  PAGE 2
- 
- 02 A Grocery Marketing Strategy That Skips Print Could Cause You to Miss Valuable Customers  PAGE 6
- 
- 03 Consumer Trends to Shape Your Grocery Marketing Strategy  PAGE 9
- 
- 04 Rural Consumers Actively Pursue Value After 2 Years of Rising Prices  PAGE 13
- 
- 05 Activate New Grocery Customers with Direct Mail  PAGE 16
- 
- 06 Build Your Grocery Brand to Drive Revenue Growth with Digital Marketing  PAGE 18

# 01

## GROCERY MARKETING CHALLENGE:

Inflation and Rising Prices Continue to Disrupt Traffic and Sales

To remain competitive and continue to drive traffic and sales, grocery marketing strategies must adapt to shifting consumer behavior as shoppers respond to rising prices. Grocery stores face continued challenges to drive traffic and sales due to 4 key factors affecting performance.

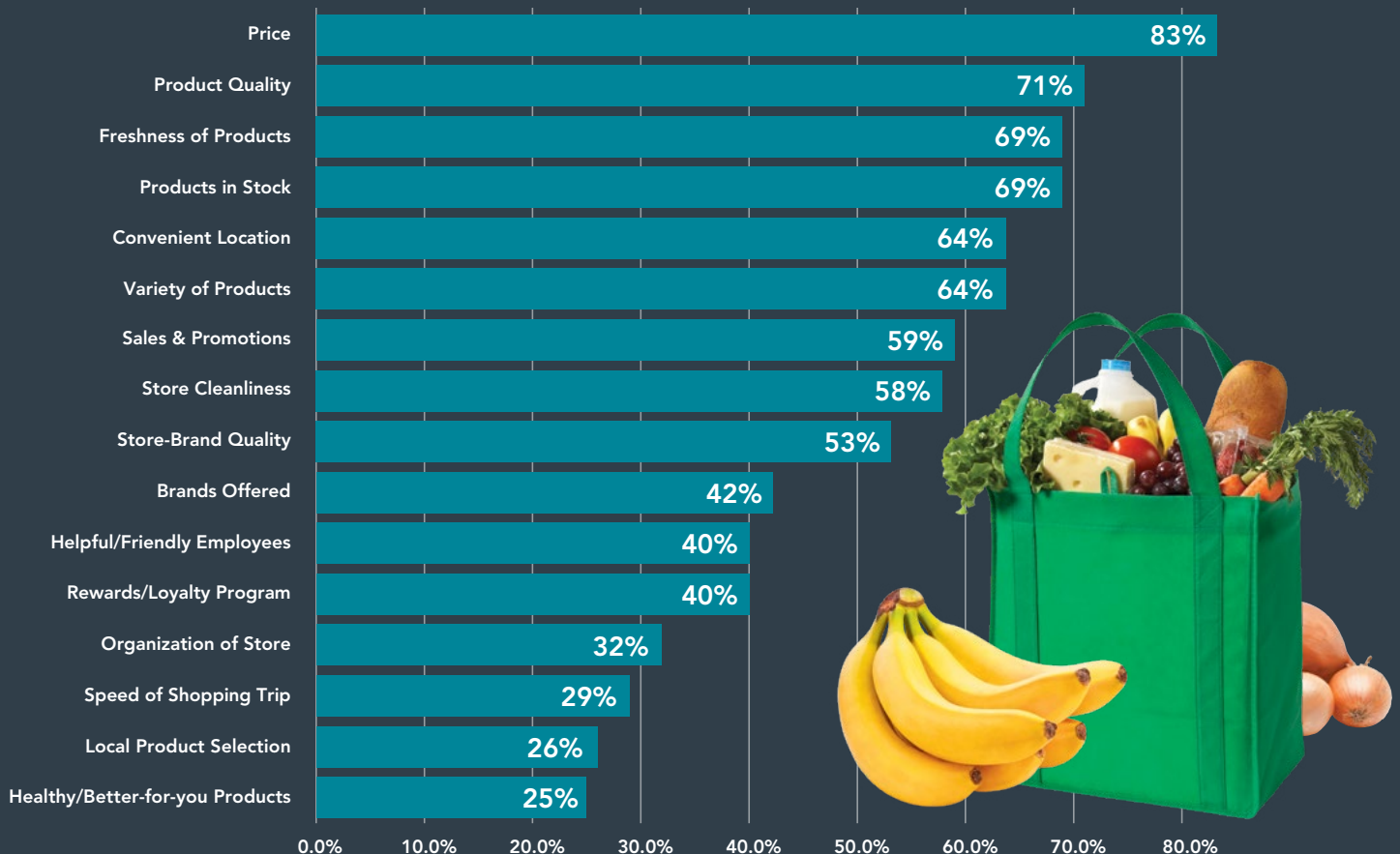
### #1

### 23.4% CUMULATIVE GROCERY INFLATION FROM 2019-23<sup>1</sup>

The cumulative impact of high inflation over the past four years is contributing to sticker shock among grocery shoppers and is having a negative impact on performance.

Grocery shoppers bought less in the past year due to inflation. While product quality/freshness and items available in stock remain important, price has become the No. 1 factor in choosing where to shop<sup>2</sup>.

## MOST IMPORTANT FACTOR IN CHOOSING A GROCERY STORE

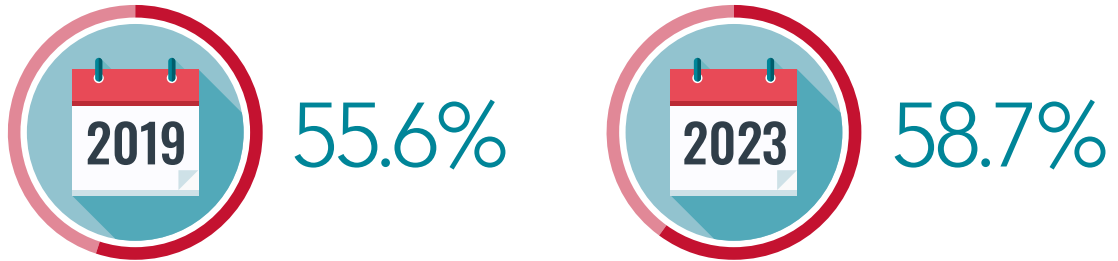


# #2

## MORE CONSUMERS SHOP AT WALMART FOR GROCERIES<sup>3</sup>

Consumers who shopped Walmart over the past 90-days increased 3 percentage points between 2019-23, as consumers look to the #1 grocer for value in high inflationary times.

### PERCENTAGE OF CONSUMERS WHO SHOPPED AT WALMART PAST 90 DAYS<sup>3</sup>



# #3

## SHOPPERS MAKE MORE TRIPS FOR FEWER ITEMS FROM 2022-23<sup>4</sup>

### TRIPS

**+3%** 

### ITEMS

**-4%** 

WEEKLY MARKET BASKET (2022-2023)<sup>3</sup>

In reaction to rising grocery prices, consumers have reduced the number of items in their carts, while increasing the frequency of visits over the past year.

# #4

## 10.5% INCREASE IN MONTHLY SPEND

The average spend for a grocery trip today is \$108<sup>2</sup> (according to a Progressive Grocer consumer expenditures study), and monthly spend increased 10.5% from 2019 to 2023.<sup>3</sup>

### SPENDING (+10.5%)<sup>2</sup> (PER MONTH)



This increase is significantly less than the rate of grocery inflation during the same period, indicating consumers are buying fewer items and prioritizing necessities.

# NEARLY EIGHT IN 10 SHOPPERS ADMITTED THAT THEY'VE CHANGED THEIR BEHAVIOR IN SOME WAY TO COPE WITH INFLATION<sup>2</sup>



**40%**  
are either buying fewer impulse items or buying items that are on sale



**33%**  
are buying more store brands



**32%**  
are using more coupons.

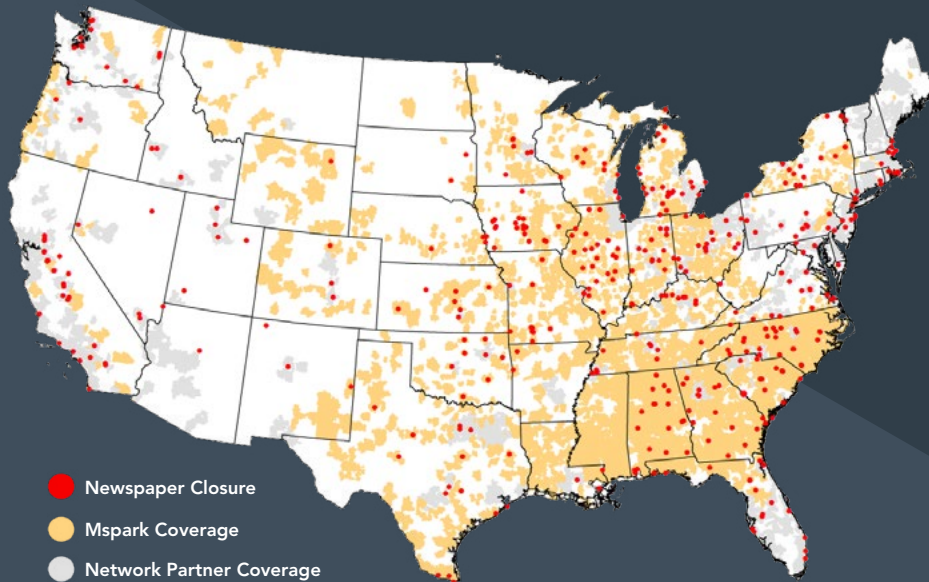


**23%**  
are buying more in bulk or larger pack sizes.



**22%**  
are shopping more often at discount grocery stores and buying fewer higher-ticket items, including prepared foods, fresh meat and seafood, and fresh produce.<sup>2</sup>

## THE QUICKLY DISSOLVING NEWSPAPER MARKET



Grocery stores have historically relied on newspaper to place their weekly circulars in shoppers' hands, but the newspaper market continues to shrink nationwide. Mspark offers coverage in areas where newspapers are no longer available to reach your target grocery shopper.

**152**

Newspapers Have Closed Since the Start of 2023

**480**

Newspaper/TMC Products Have Stopped Circulation Since 2019

**64%**

of Closed Newspapers are in Rural C & D Counties that Mspark Covers

# DRIVE SALES WITH INTEGRATED MEDIA

Give your organization an edge over the competition with an integrated Shared Mail + CTV and Acquisition Email solution.



## BUILD AWARENESS WITH CTV

CTV uses proprietary data to identify and target the most relevant zip codes. Campaign performance is improved by reaching the most highly desired audiences based on demographic, viewing habits, conversion activity, and other factors, reaching consumers at the top of the funnel.

- Alternative to Linear TV
- Effective in promoting purchases such as groceries
- Grow upper-funnel awareness (Reach & Frequency)
- Cost effective entry point to CTV

## ACCELERATE CUSTOMER GROWTH WITH EQUIRE ACQUISITION EMAIL

As a stand-alone program or in conjunction with our Shared Mail Circular or Digital Display solutions, Mspark's Acquisition Email campaigns drive new customer engagement with unmatched efficiency and ROI.

### INTEGRITY OF THE DATA:

- Most Responsive Email
- True Open Rates
- First-party database
- Cookie-less
- 100% User opt-in

## SHARED MAIL DISTRIBUTION OF CIRCULAR ACTIVATES CONSUMERS

Consumers are more carefully planning their purchases and looking for value in every transaction. Shared Mail distribution of your circular delivers value in a format that consumers of all generations appreciate and respond to when planning their grocery shopping.

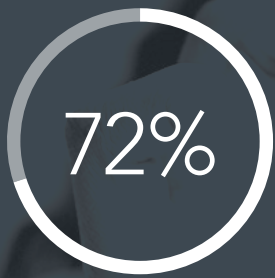
# 02 |

# A GROCERY MARKETING STRATEGY

That Skips Print Could Cause You to Miss Valuable Customers

Digital is on the rise—both online grocery shopping (up 56% from 2022 to 2023<sup>1</sup>) and advertising response (nearly half of grocery shoppers have responded to digital display or video ads in the past year<sup>2</sup>)—but a grocery marketing strategy that eliminates print could also eliminate valuable potential customers.

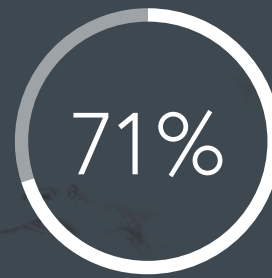
## DID YOU KNOW?



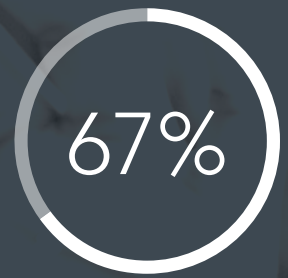
of consumers regularly look at grocery ads that come in the mailbox.<sup>3</sup>



of all consumers still use paper coupons.<sup>3</sup>



of parents continue to rely on coupons.<sup>3</sup>



of Gen Z report using coupons regularly.<sup>3</sup>

While most grocery shoppers continue to embrace print, digital ads remain an effective engagement tactic:



69%

of consumers are embracing digital coupons.<sup>3</sup>



80%

of Gen Z and Millennial parents are utilizing them.<sup>3</sup>



76%

of Millennials are turning to digital coupons for savings.<sup>3</sup>



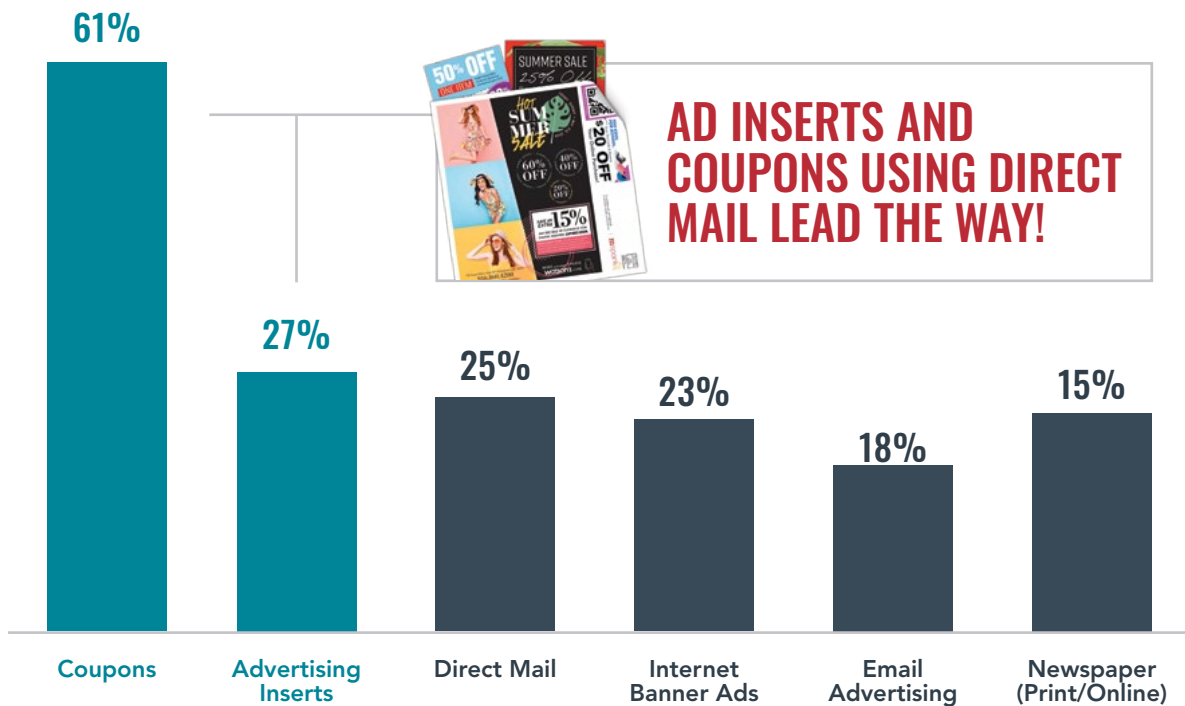
& 75%

of Hispanics

A targeted, multichannel campaign strategy that places your message in front of your target audience in their mailbox or on their devices is key to acquiring new grocery customers seeking value and savings.

# WHAT MOTIVATES GROCERY SHOPPERS TO ACT?

**Prosper Poll:** Tell us which of the following media influences your **grocery** purchases?



*\*The sum of the % totals may be greater than 100% because the respondents can select more than one answer.*

## ACTIVATE THE CUSTOMERS YOU NEED WITH DIRECT MAIL

Consumers act on direct mail in **three primary ways:**

### #1 40% INVESTIGATE A BRAND

- by visiting the website.<sup>5</sup>
- by searching for the brand/product/service online.<sup>5</sup>
- by exploring the brand or service's social media.<sup>5</sup>

### #2 33% RESEARCH A BRAND

- by reading reviews of the brand's products or services.<sup>5</sup>
- by visiting another website to look for the product or service advertised.<sup>5</sup>
- by reading feedback and reviews to gauge other's thoughts on the brand/product/service.<sup>5</sup>

### #3 27% ACTIVATE

- by visiting a retail location to check out a product in person.<sup>5</sup>
- by signing up for a service or purchasing a product.<sup>5</sup>
- In the past 6 months, more than half (**52%**) of respondents have tried a new product, service, or establishment after receiving marketing mail.<sup>6</sup>
  - The new businesses tried most often are restaurants, retail, and health and beauty.<sup>6</sup>
  - Gen Z is the most likely age group to try a new business after receiving marketing mail.<sup>6</sup>



## PRINT CIRCULARS OFFERING GROCERY SAVINGS AND DEALS HAVE STAYING POWER

- Consumers keep circulars an average of 3-5 days for purchase planning.<sup>3</sup>
- **45%** of shoppers keep printed ads and bring them to the store when they shop.<sup>3</sup>
- **40%** of consumers are spending more time with mail-based promotional materials.<sup>3</sup>

## DOES YOUR GROCERY MARKETING TARGET NEW MOVERS TO YOUR AREA?

**GROCERIES ARE CONSISTENTLY RANKED AMONG THE TOP 3 MOST URGENT ITEMS PURCHASED DURING A MOVE.** Additionally, **90% of movers are willing to try new brands**, and they are 5x more likely to become long-term clients.<sup>4</sup> Targeting new movers to your area as part of your grocery marketing strategy can help you reach new movers ahead of your competitors and acquire new customers for the long term.

Mspark's **mover program** leverages 18+ data sources including national change of address, U.S. Census Bureau, and utility/phone/cable connects to reach 15% more movers than other mover programs.



### MSPARK

- ✓ NCOA Verified
- ✓ U.S. Census Bureau
- ✓ County & Courthouse Records
- ✓ Subscription Service Changes
- ✓ Utilities, Phone & Cable Connects
- ✓ **18+ Data Sources Find & Validate the Max Number of Movers Available!**

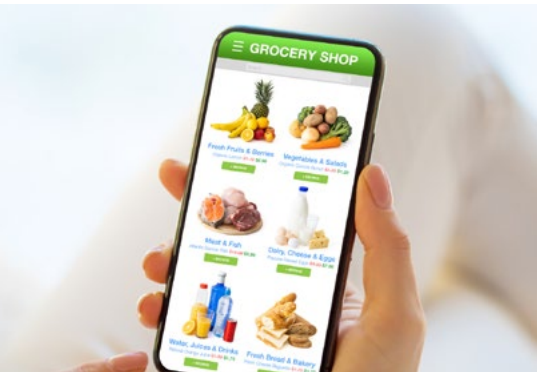
### OTHER MOVER PROGRAMS

- ✓ NCOA Only
- ✓ Single Trigger Sources
- ✓ Increased Likelihood of Non-Movers

**Limited Data Sources Mean Movers are Missed!**

Read our **grocery case studies** to see how Mspark has helped other grocers acquire new customers.

Comparing consumer shopping habits and buying trends from year to year can help retailers plan their grocery marketing strategies. Let's look at six key trends in 2023 that can inform strategies for 2024 and beyond:

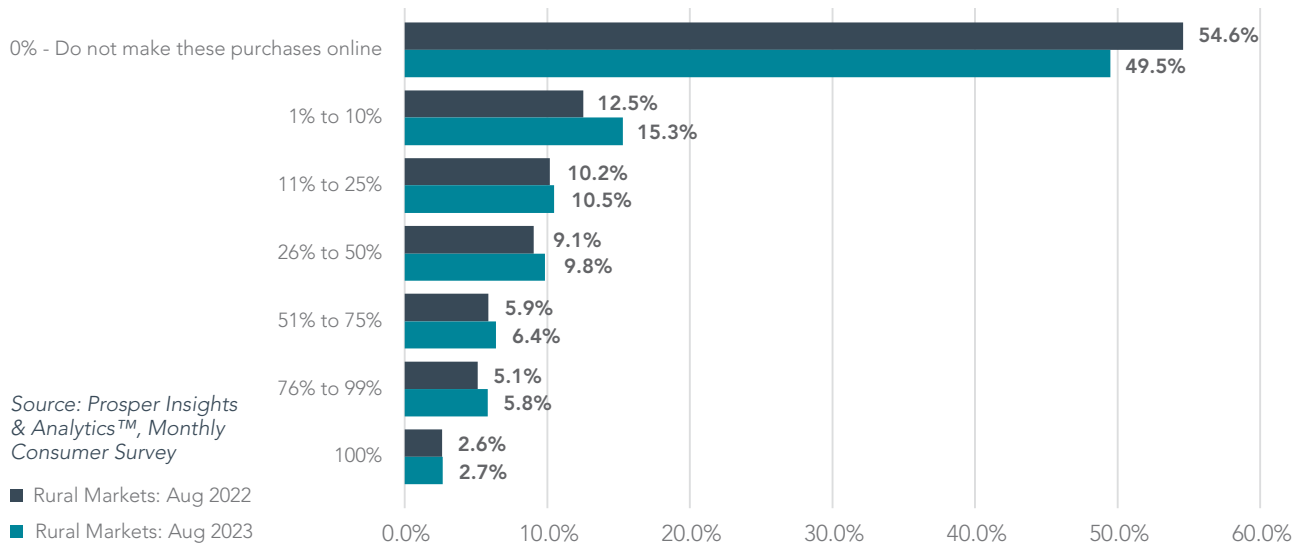


### 1. SHOPPING ONLINE FOR GROCERIES SLOWED IN EARLY 2023, BUT ACTIVITY IS ON THE RISE.

- **56%** order online more frequently now than 1 year ago.<sup>1</sup>
- **72%** purchased groceries online in the past 90 days.<sup>1</sup>
- **74%** said convenience is the top driver, price is second-most important.<sup>1</sup>
- Online shoppers who spend the most average **\$201 per order**. This group places orders most frequently.<sup>1</sup>

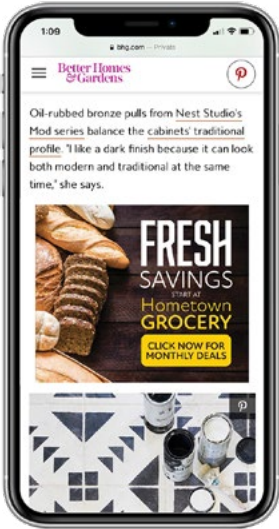
While most consumers in the rural markets Mspark serves purchase their groceries in a physical store, there has been an uptick in online purchases in 2023 compared to the previous year.<sup>2</sup>

### PERCENTAGE OF YOUR GROCERIES PURCHASED ONLINE (AUG 2023)



### ONLINE GROCERY SHOPPING HAS SEVERAL CHALLENGES TO OVERCOME TO INCREASE APPEAL TO CONSUMERS:

- **47%** say high delivery fees are the biggest challenge.<sup>1</sup>
- **43%** dislike the lack of control over product selection.<sup>1</sup>
- **41%** are concerned about product availability.<sup>1</sup>
- **60%** more likely to choose pre-packaged produce when shopping online.<sup>1</sup>



## 2. GROCERY CUSTOMERS RESPOND TO ADVERTISING ACROSS PRINT AND DIGITAL CHANNELS.

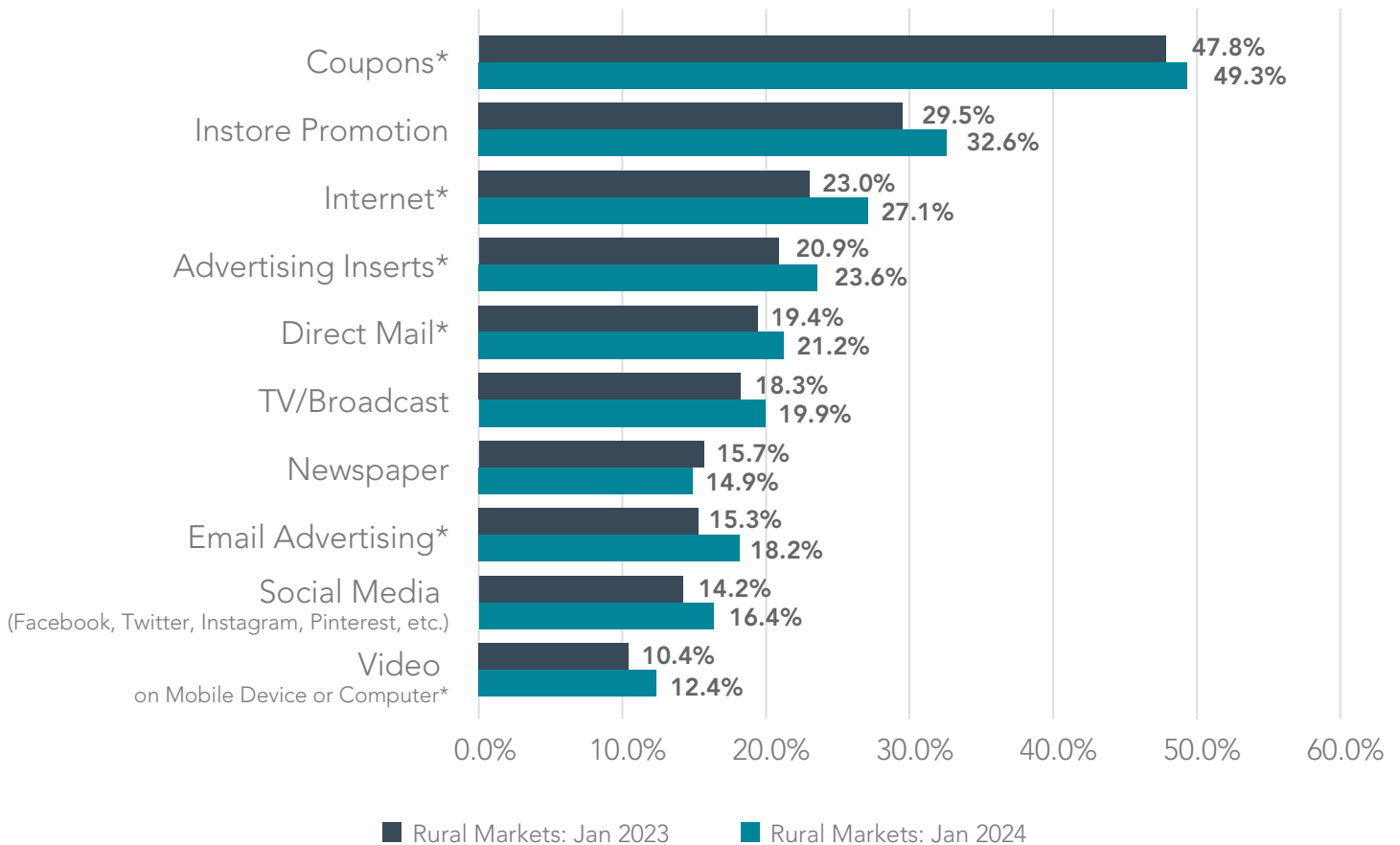
While print is a heavy influence for consumers in rural markets, digital should not be overlooked.

### DIGITAL ENGAGEMENT

- **44%** of Grocery Customers have responded to digital display ads in the past 12 months.<sup>3</sup>
- **45%** of Grocery Customers have responded to video pre-roll ads in the past 12 months.<sup>3</sup>

Coupons and advertising inserts comprise **69%** of purchase influence for consumers in rural markets, with digital at **65%**.<sup>2</sup>

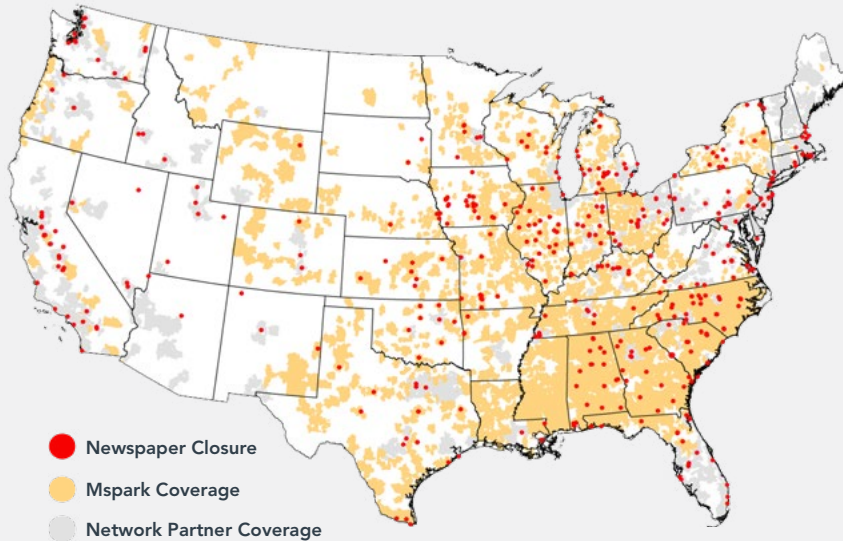
### MEDIA INFLUENCES ON GROCERY PURCHASES JANUARY 2024 VS. JANUARY 2023



Mspark can help you create a media mix to  
**ENGAGE YOUR HIGHEST-VALUE TARGET CUSTOMERS**  
 to acquire new customers for your stores.

### 3. NEWSPAPER COVERAGE, TRADITIONALLY RELIED ON FOR GROCERY CIRCULAR DISTRIBUTION, CONTINUES TO SHRINK ACROSS THE U.S.

Mspark's coverage can replace lost newspaper coverage.



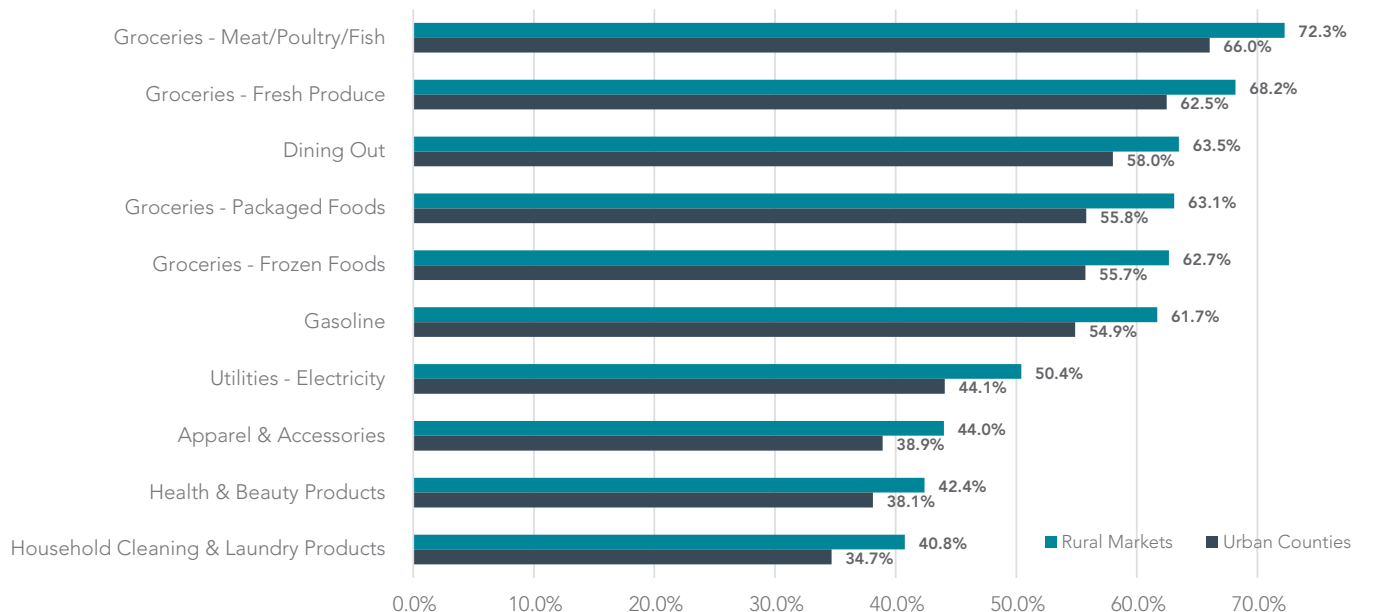
**152** Newspapers Have Closed Since the Start of 2023

**480** Newspaper/TMC Products Have Stopped Circulation Since 2019

**64%** of Closed Newspapers are in Rural C & D Counties that Mspark Covers

### 4. RURAL CONSUMERS ARE NOTICING PRICE INCREASES ACROSS A VARIETY OF CATEGORIES, INCLUDING GROCERIES, MORE THAN THEIR URBAN COUNTERPARTS.<sup>2</sup>

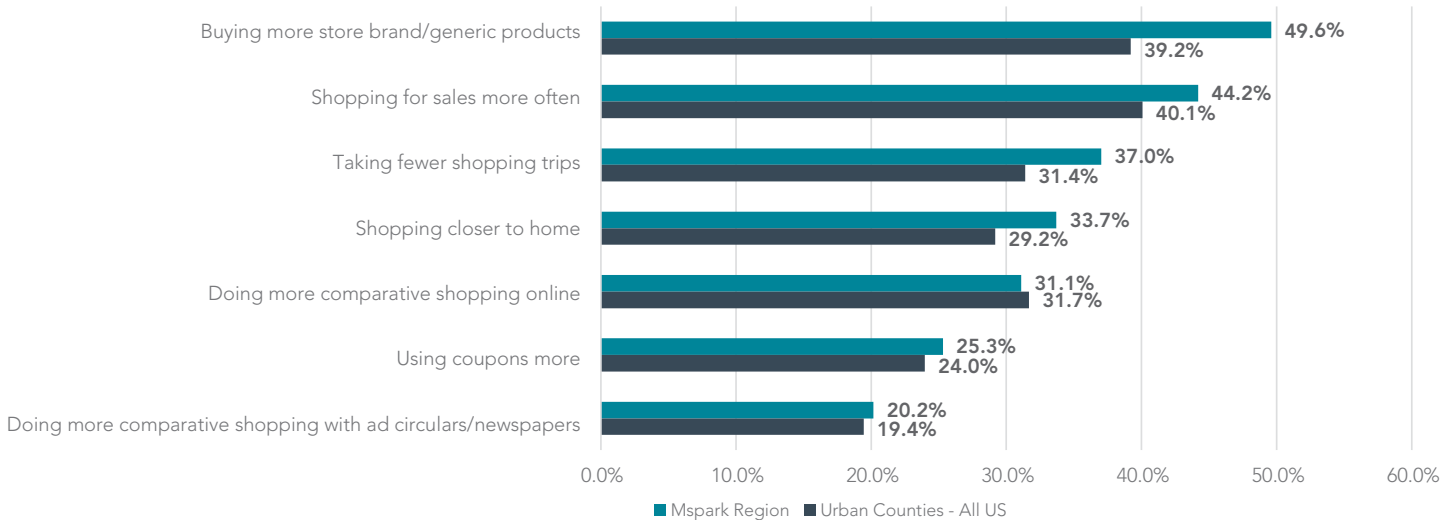
**HAVE YOU NOTICED PRICE INCREASES IN ANY OF THE FOLLOWING?  
(CHECK ALL THAT APPLY) (MAR 2024)**



Source: Prosper Insights & Analytics, Monthly Consumer Survey

## 5. IN RESPONSE TO PRICE INCREASES, RURAL CONSUMERS ARE BUYING MORE STORE BRANDS, SHOPPING SALES MORE OFTEN AND USING MORE COUPONS.<sup>2</sup>

AS A RESULT OF PRICE INCREASES, ARE YOU DOING ANY OF THE FOLLOWING?  
(MAR 2024)



Source: Prosper Insights & Analytics™, Monthly

Continued newspaper decline along with rural consumers being **28% less likely** to have broadband internet access mean a marketing mix targeting rural consumers requires a different approach. [Learn more about marketing to rural consumers.](#)

## 6. COORDINATED EXPOSURE ACROSS PRINT AND DIGITAL CHANNELS BOOSTS YOUR MARKETING CAMPAIGN PERFORMANCE.

### DIGITAL ENGAGEMENT

- **60%** of consumers are prompted to online activity after receiving direct mail.<sup>4</sup>
- Integrating digital with direct mail increases program performance as much as **28%** vs. direct mail alone, based on historical program performance.

Learn more about [mail advertising solutions](#) and [digital solutions](#) that can help you achieve your marketing goals. Get inspiration from our [grocery design gallery](#).



Sources: Progressive Grocer, "Online Grocery Adoption Has Slowed, But Activity is Rising," February 2023<sup>1</sup>; Prosper Insights & Analytics 2023<sup>2</sup>; AdMall AudienceSCAN 2023<sup>3</sup>; SG360 The Future of Direct Mail<sup>4</sup>

# 04

## RURAL CONSUMERS

Actively Pursue Value After 2 Years of Rising Prices

After two years of rising inflation causing price increases in key household essential categories including grocery, restaurant, home utilities, and gasoline, rural consumers continue craving savings and value.

The graphic below is just a sample of actual inquiries received through Mspark.com over the past year from consumers requesting offers and deals to save money.

"How do I get your advertisement in the mail?"

"How can I sign up to receive coupons for my area?"

"I get them at my house but would love to get more as they are so useful."

"How does a person get on your mailing list for coupons?"

"I have wanted to contact someone for quite some time now about receiving those ads. We love receiving them."

"I'd like to know where I need to go to get my coupons!"

"I am a person that uses coupons a lot. Thus, I am always looking forward to seeing what is in your monthly flyer."

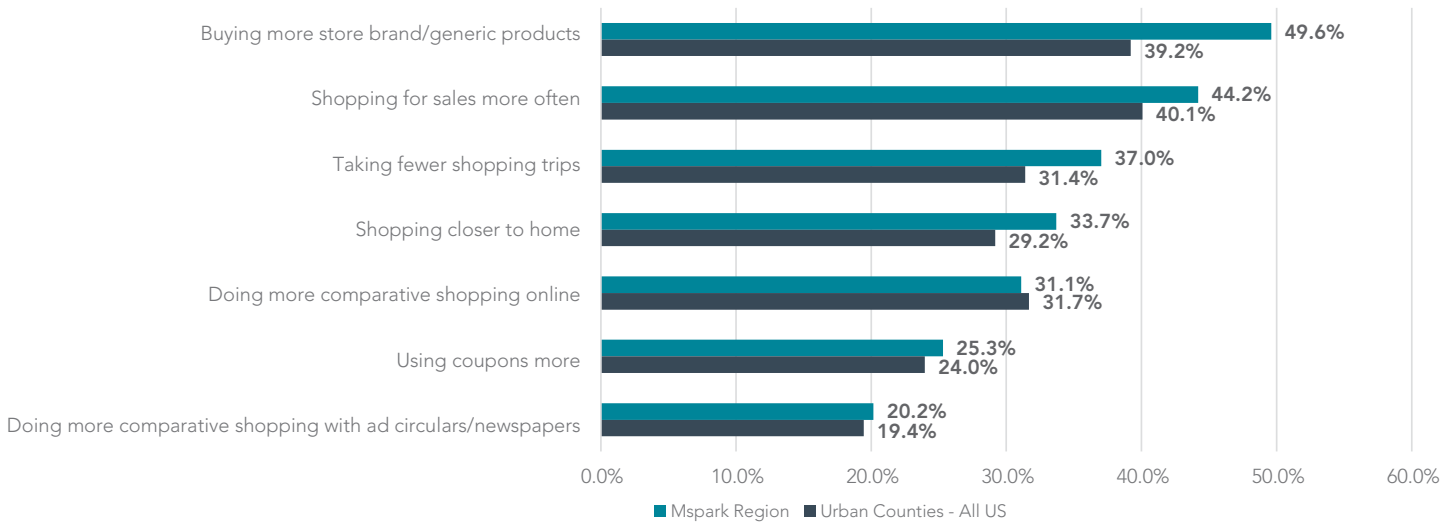
"I want the fast-food coupons that come in the mail."

"I really depend on receiving your coupons each month."



In response to rising prices, rural and urban consumers alike are buying more store brands, shopping sales more often and using more coupons.<sup>1</sup>

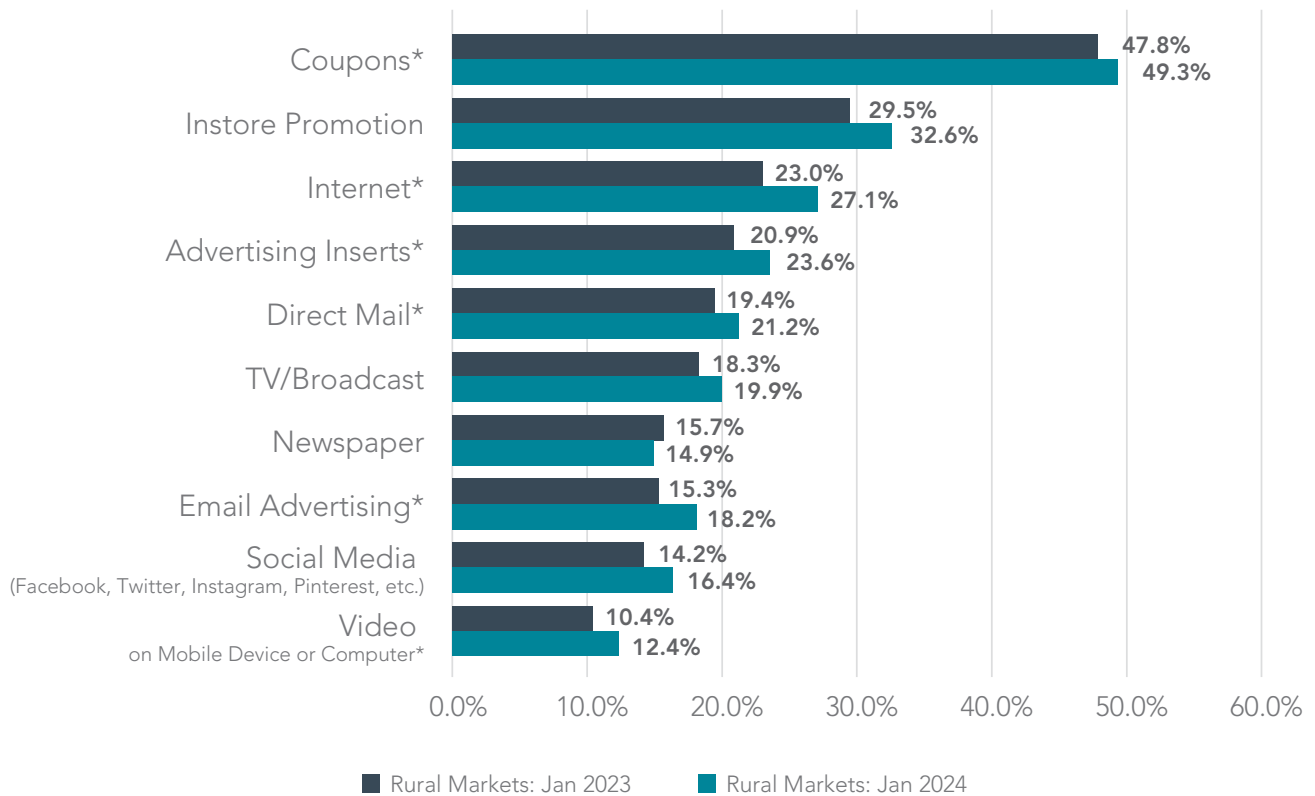
## AS A RESULT OF PRICE INCREASES, ARE YOU DOING ANY OF THE FOLLOWING? (MAR 2024)



Source: Prosper Insights & Analytics™, Monthly

Coupons remain a top influencer of both rural and urban consumer purchase decisions across multiple product categories:

## MEDIA INFLUENCES ON ALL CATEGORIES (JAN 2024)



According to Vericast's 2023 Trendwatch Report, **66% of consumers surveyed said coupons are more important than ever. Helping them save money was the No. 1 message they wanted to receive from advertisers.**

# DID YOU KNOW?

78%

will open/read a single offer or promotion.<sup>2</sup>

77%

will open/read multiple offers or promotions.<sup>2</sup>



## TARGET YOUR HIGHEST-VALUE POTENTIAL CUSTOMERS WITH PERSONALIZED OFFERS

Mspark's targeting capabilities enable you to identify your most likely, highest-potential customers and target them down to the household level with personalized offers and coupons based on their shopping and purchasing behavior. **See how it works in our targeting video.**

Our team pulls data from a wide range of sources and then translates that data into easy-to-understand information that reveals the best audience for your message. We bring together as many types of data as possible to create an insightful view of your customers.

### WE USE A MIX OF PREDICTIVE DATA AND CLIENT DATA TO CREATE YOUR OPTIMAL MAILING PROFILE:

- Census data
- Consumer Expenditures
- Behavioral data
- Lifestyle segmentation
- Geographic mapping & profiling
- Life event data
- Client-provided data

**[Learn more about data-based targeting.](#)**



In a world filled with digital clutter, there's something special about receiving a piece of direct mail.

64%

of consumers say direct mail has inspired them to take action, such as visiting a website or a physical store.<sup>1</sup>

74%

of marketers say direct mail delivers the highest response, conversion rate, and ROI of any channel used.<sup>1</sup>

## WHAT SPECIFIC ACTIONS DO CONSUMERS TAKE WHEN THEY RESPOND TO DIRECT MAIL?



40%

### 40% INVESTIGATE A BRAND

- Visit the brand or service website.<sup>1</sup>
- Search for the brand/product/service online.<sup>1</sup>
- Check the brand or service's social media.<sup>1</sup>

33%

### 33% RESEARCH A BRAND

- Look up reviews of the brand/product/service.<sup>1</sup>
- Visit another website looking for the product or service advertised.<sup>1</sup>
- Check out other media to gauge other's thoughts on the brand/product/service.<sup>1</sup>

27%

### 27% ACTIVATE

- Visit a retail location to check out a product in person.<sup>1</sup>
- Buy a product or sign up for a service.<sup>1</sup>

# HOW TO GET THE MOST FROM YOUR DIRECT MAIL CAMPAIGN

## GIVE THEM A REASON

A compelling, relevant offer is key to get recipients to open and read direct mail:

- 78% will open/read a single offer or promotion.<sup>3</sup>
- 77% will open/read multiple offers or promotions.<sup>3</sup>

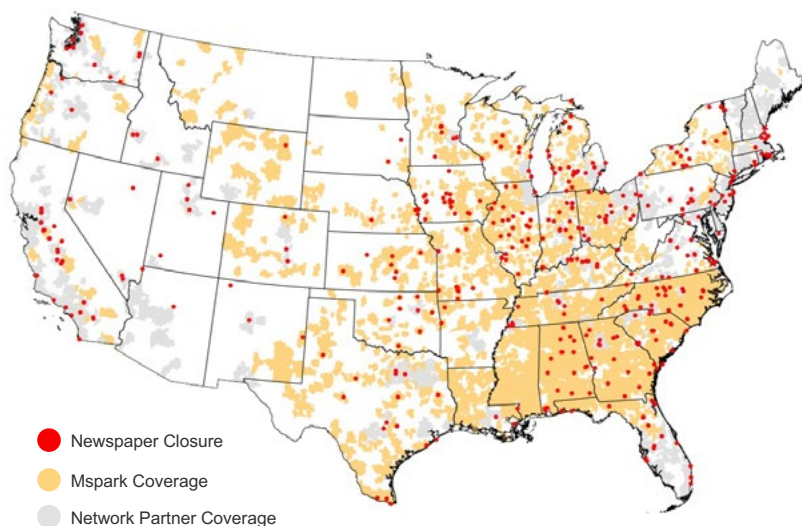
## GET PERSONAL

- Personalized direct mail drives higher engagement rates. Mspark's targeting capabilities enable you to zero in on your highest-value prospects and target them with postcard messaging specific to their needs and preferences. [Learn more about our targeting capabilities.](#)
- 68% of consumers are more likely to engage with a brand's message that is personalized to them;<sup>2</sup>
- 55% expect mail from brands to be personalized to them in some way.<sup>3</sup>

## REPLACE DISAPPEARING NEWSPAPER COVERAGE WITH MORE EFFECTIVE DIRECT MAIL

Industries including restaurant, grocery, retail (especially Home Depot, Lowe's, and ACE Hardware), automotive, consumer packaged goods, and telecom have historically relied on newspaper TMC advertising to distribute their weekly circulars.

Targeted direct mail is a more efficient and reliable way to engage your target customers as newspaper coverage continues to shrink.



**152** Newspapers Have Closed Since the Start of 2023

**OVER 480**

Newspaper/TMC Products Have Stopped Circulation Since 2019

**64%**

of Closed Newspapers are in Rural C & D Counties that Mspark Covers

Learn more about Mspark's targeted [mailbox solutions](#) to drive traffic to your store, mobile app, or website and acquire new customers.

Digital marketing helps you achieve consistent brand delivery across media channels and platforms, which can **increase revenue by 23%** on average<sup>1</sup>.

A marketing strategy that drives results for your business is capable of pinpoint targeting your best potential customers while evaluating performance, optimizing campaigns, and measuring results.

## **CUSTOM-BUILD AN AUDIENCE OF YOUR BEST POTENTIAL CUSTOMERS**

No advertising campaign can be successful without first identifying the highest-value target audience for your message. **Your audience is not going to be the same as anyone else's.** It's going to be your keywords, your website visitors, your geofences that you choose—customized just for your business.

Our audience targeting solutions are created based on data, eliminating most of the waste that is often associated with other advertising methods.

### **There are three main sources of data used to identify the relevant audience:**

- **Behavioral** – behavioral data comes from a person's internet activity.
- **Location** – location data comes from a person's offline actions based on the locations they have visited.
- **Demographic** – demographic data comes from offline purchase behavior, publicly available data, and self-reported data.

### **Did you know?**

- **Average time of people being online is up to 6 hours, 37 minute per day in 2023** (up from 6 hours in 2018).
- The majority of internet activity is now being conducted on mobile devices: **7 out of every 10 hours spent on the web are on mobile devices**<sup>2</sup>.

Different actions demonstrate customers at different points during their path to purchase, making all of them a worthwhile audience to target with your digital marketing message. As your target audience surfs the web, they are targeted with ads as they go about their day and interact with their connected devices. This puts your ads in front of:

- People who go to your website and then leave.
- People who are searching for the products and services that you sell.
- People who are reading content that is relevant to your industry.
- People who visit locations in the real world, such as your competitors.



## TARGET CONSUMERS BASED ON WHO & WHERE THEY ARE

Geofencing enables you to target consumers based on who they are and where they are.

How is this possible? **90% of mobile users keep their location services turned on**, creating a wealth of data and consumers to target based on physical locations visited<sup>4</sup>.



Once your target audience has been identified, a coordinated digital marketing approach enables you to drive engagement across multiple channels utilizing Mspark's Boost digital solutions, including digital display, pre-roll video, and OTT/CTV video.



## BUILD BRAND AWARENESS & DRIVE STORE TRAFFIC

**Why digital display?** The average consumer spends 7 hours per day on internet connected screens<sup>5</sup>.

Our Boost Digital Display solution serves static or animated ads on a variety of device types with targeting to the household level.



## ENGAGE NEW CUSTOMERS & GENERATE AWARENESS

**Why pre-roll video?** 91% of consumers want to see more online video content from brands<sup>6</sup>.

Video increases brand awareness, ad recall & purchase consideration. Highly targeted at the household level, ads are served to users on premium publishers and mobile apps and average 65%-75% completion rate.



## AMPLIFY YOUR REACH

**Why OTT/CTV Video?** 87% of US adults own at least one connected TV, and almost half of US adults watch a connected TV daily<sup>7</sup>.

This video channel allows you to reach consumers streaming on all screens down to the household-level with non-skippable ads for the highest video completion rates, averaging 98%. Linear TV subscribers can be excluded.

## MEASURE & OPTIMIZE DIGITAL MARKETING CAMPAIGN PERFORMANCE

Reporting features, along with campaign insights reports, help to paint a picture of exactly who is receiving your ads, where they are receiving them, and how they are interacting with them, reinforcing your ability to maximize the relevance of your campaigns.

Learn more about **digital advertising solutions** that increase reach and response with measurable results. Our **full suite of mail and digital advertising solutions** is designed to be customizable to develop the most cost-effective media mix to drive ROI and achieve your marketing goals.