

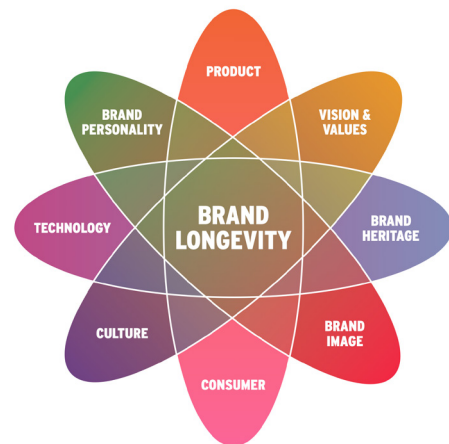
BRAND LONGEVITY IN THE GROCERY SPACE

TECHNOLOGY, HERITAGE, AND THE GENERATIONAL SHIFT

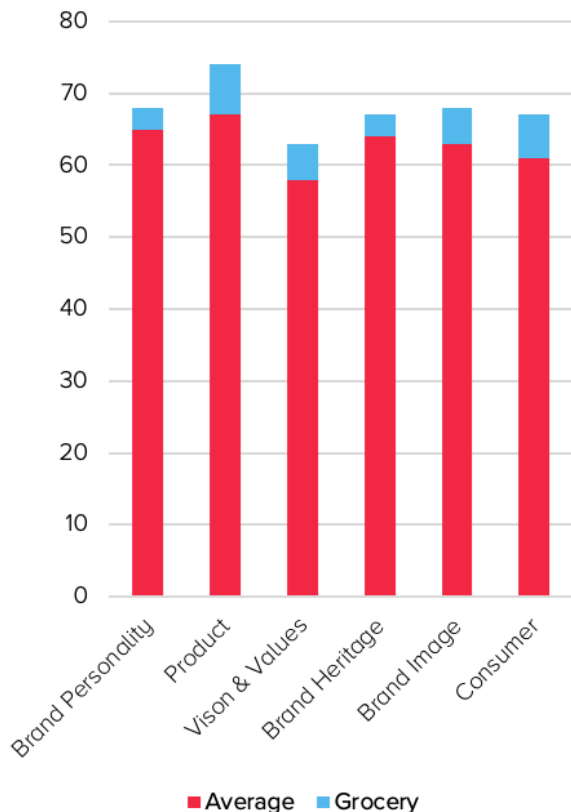
Grocery brands are staples in America. Everyone needs to eat!

But competition is growing, with new brands entering the market and others rapidly expanding across the country. It's critical for grocers to have consumer loyalty, and according to our research with The Harris Poll, grocery brands are among the most favored in America.

However, their biggest opportunity also happens to be their biggest challenge. Gen Z, which is in the early stages of their buying lifecycle and therefore has the most runway for client loyalty, are toughest on grocery brands. So where do grocers stand with this important segment? And what can they do to gain Gen Z's loyalty and build their brand's longevity?



Grocery vs. The Average Brand



VALUING PERSONALITY

The grocery brands we surveyed, on average, outperformed the market across all eight brand longevity elements.

Of those elements, grocery brands were rated the highest in the Brand Personality category—which measures the impact of logo, copy, and content that a brand produces—followed by the Consumer category, which evaluates brand loyalty and customers. This outperformance by grocers indicates that the public, in general, thinks highly of the voice of these brands.

Trader Joe's is Gen Z's favorite grocery brand and outperforms not only the market average for all brand longevity values, but the average scores for grocery as well. Perhaps most surprising, more than three quarters of respondents rated Trader Joe's favorably in the consumer category, while a very rare 100% of Gen Z shoppers surveyed did as well.

GENERATIONAL DIVIDE

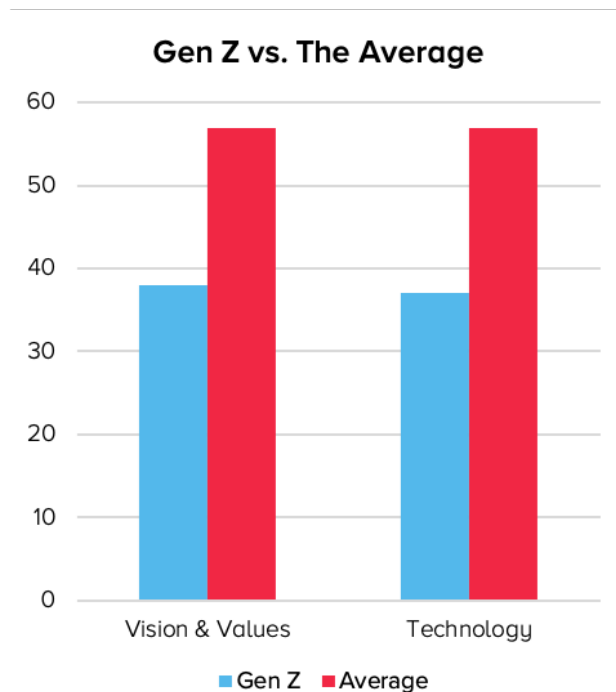
Grocery holds higher customer sentiment and is therefore more likely to maintain market share over a long period of time, at least according to the general consumer. To maintain relevance and establish brand loyalty from the onset of a consumer's lifecycle, Gen Z represents a critical opportunity for grocers.



GENERATIONAL DIVIDE (continued)

Of all generations surveyed, Gen Z ranked grocery brands 14% lower on all brand longevity values than the average consumer. They reported that grocery brands overall lag behind in Vision & Values, a category that measures corporate social responsibility—a factor that younger people have placed heavy emphasis on in polling.

Our Technology category measures digitalization, social media, and media adaptability; for many of the legacy grocery brands, those scores were low, with Gen Z rating this category 20 points lower than the average respondent. The industry's overall Technology score is bolstered by some of the newer national grocery brands, but it's clear that consumers do not believe that all grocers are created equal in this regard. As self-checkouts and other in-store digital tools become available to consumers, some brands may be lagging behind and/or failing to promote themselves properly across all of the channels they have access to.



CREATING A LEGACY

Scores for Brand Heritage, which measures the history, legacy, and experience of a given company, were within one percentage point of the average for that particular category. With such a close margin on this value, our data shows that consumers see little differentiation between grocery and other brands in their attempts to establish ties to the community or improve their shopping experience.



DATA-DRIVEN BRANDING: BROWNSTEIN & THE GIANT COMPANY

The GIANT Company, a major regional grocery brand with over 190 stores throughout the Mid-Atlantic, was founded in 1923 as the Carlisle Meat Market, a dry goods and meats purveyor in Carlisle, PA. In the years since, the brand has spread across state lines and established a legacy of innovation that began nearly a century ago.

GIANT came to Brownstein in 2018 looking for bold strategies to capture greater market share. Brownstein's recommendation led to a deeper focus on the consumer and a new brand identity: a celebration of today's families and the meals that bring them together.

The subsequent integrated campaign, For Today's Table®, changed GIANT's position in the grocery space. The campaign emphasized the Brand Longevity elements most relevant to their audiences, featuring authentic working families (tapping into the Consumer element) and real GIANT employees (tapping into the Culture element). The brand positioning, which hit the market in 2019, along with significant geographic expansion and several store openings, catapulted GIANT to the top spot as the Philadelphia region's largest grocer and carried the brand through the most challenging period of the COVID-19 pandemic.

The For Today's Table® platform has evolved to highlight other Brand Longevity levers with consumer affinity in the grocery industry, including the Technology that makes GIANT's shopping experience even more seamless, such as at-home delivery and click-and-collect services. As the company celebrates its 100th anniversary in 2023, the campaign will spotlight GIANT's Brand Heritage and commitment to staying true to its values.

The GIANT Company believes that no matter where or how, when meals happen, families connect, and when families connect meaningfully, good happens. Guided by its brand platform, For Today's Table®, the omnichannel retailer proudly serves millions of neighbors across Maryland, New Jersey, Pennsylvania, Virginia, and West Virginia and is a true example of the Brand Longevity model at its best.

TAKING A STEP FORWARD

Technology should be a point of emphasis for longstanding grocery brands as they look to improve their appeal to younger audiences and retain customers that already rate them favorably. While self-checkout and automated janitorial services have proliferated in the space over the past several years, there is more work to be done. Digital tools that support both in-store experiences and online shopping have immense potential to increase customer sentiment and over time, brand loyalty.

Brand Heritage presents the greatest opportunity for all grocery brands. As shopping experiences become more convenient and fewer customers feel the need to visit the

store, differentiation in history, legacy, expertise, and unique offerings will be the deciding factors that shoppers look for. An emphasis on these touchpoints when positioned alongside consumer identities in marketing is a strategy that is likely to succeed. However, grocery brands shouldn't lose sight of the voice and creative that has continued to resonate with their audience while they continue to evolve.

Like most brands, grocery brands should utilize continued awareness campaigns based around CSR and guiding principles for ethical business as part of an effective overall strategy to appeal to the youngest consumers and win loyal audiences that will return for decades to come.

