

Supercenters Upstage Grocery Stores in Shopper Popularity

According to a new study from ACNielsen consumers made fewer trips to traditional grocery stores in 2004 as they sought greater savings, variety, or convenience in other retail outlets. The "Channel Blurring" study showed that the average American consumer made 69 trips to the grocery store in 2004--down from 72 in 2003 and 92 in 1995, the first year of the ACNielsen annual analysis of consumer shopping patterns.

Todd Hale, senior vice president, ACNielsen U.S., said, "... as a channel, consumers are shifting their trips to formats where they can either save more money or accomplish more of their shopping in one trip."

Dollar stores have enjoyed the strongest long-term growth in household penetration--driven by the channel's rapid expansion--while supercenters have grown the most in terms of shopping trips. The traditional mass merchandise channel continued its losses in both household penetration and shopping frequency in 2004, as more mass merchandisers either converted traditional stores to supercenters or closed poor performing stores. Shopping frequency in warehouse club stores, drug stores, and convenience stores remained flat. Both drug stores and convenience stores slipped slightly in terms of household penetration.

	Household Penetration(%)				Trips Per Year			
	2001	2002	2003	2004	2001	2002	2003	2004
Grocery	100%	100	100	99	75	73	72	69
Mass Merchandise	93	91	91	89	23	22	21	20
Drug	86	86	85	84	15	15	15	15
Supercenter	53	55	54	54	18	21	25	27
Dollar	59	62	66	67	11	12	13	13
Warehouse	50	52	51	51	10	10	11	11
Convenience/Gas	45	46	45	44	15	14	15	15

Source: ACNielsen Homescan 52 weeks ending 12/25/04

According to Hale: "One hopeful sign for the grocery channel is that several chains have rolled out or are experimenting with new store formats. Others are increasing their use of micro-merchandising and marketing to better meet the unique needs of shoppers within their trade areas. Only time will tell, but those efforts toward differentiation may help stem the loss of shoppers to other formats."