

Tech Innovations Become Major Grocer Investments: Annual Report

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Technology remains a key concern, hitting No. 4 on the list of issues that keep retailers up at night in *Progressive Grocer's* Annual Report, with 42 percent citing keeping up with technology as a key concern.

Two-thirds of retailers indicated that they planned to increase their technology spend in 2019 to keep up with the rapid pace of change in the industry as consumers increasingly shift their lives online or into the digital realm. Technology upgrades also ranked second for shoppers' suggestions for investments, according to a *PG* consumer survey.

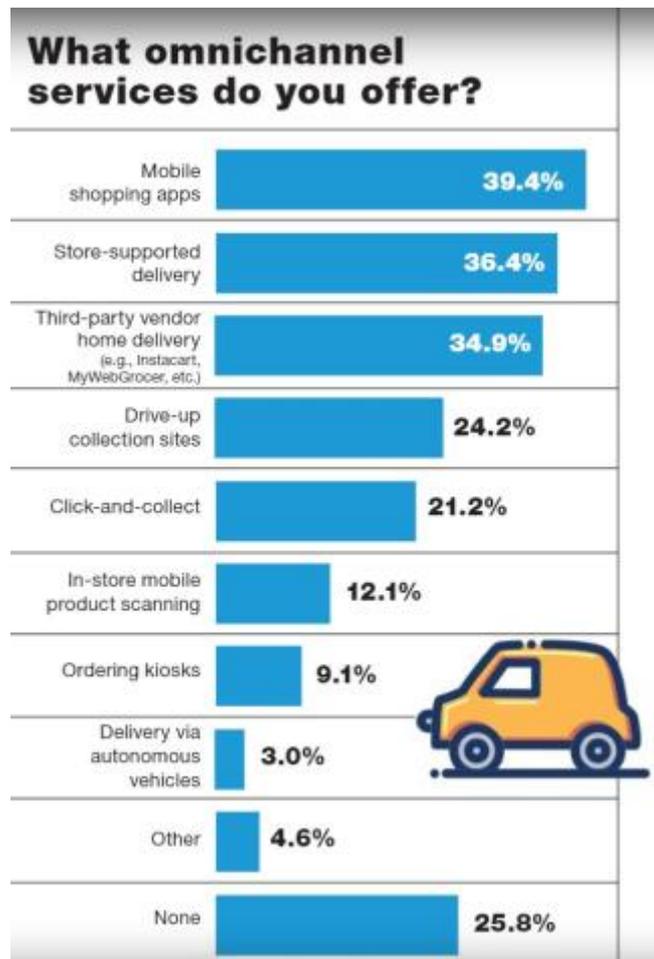
One of the areas generating the most buzz is the rise of autonomous delivery vehicles. Several grocers, both large (Kroger, Walmart, Stop & Shop) and small (independent grocer BFL Grocery) are preparing to introduce autonomous delivery vehicles in their markets. E-grocer Amazon is testing Scout, a cooler-sized delivery robot.

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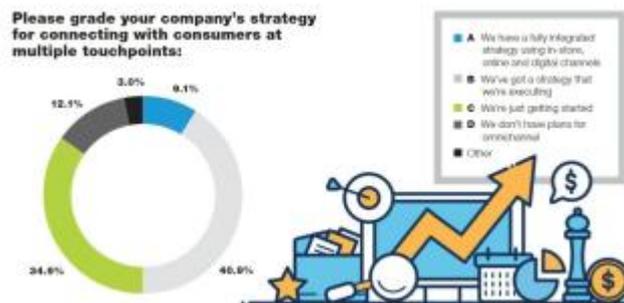
Nearly 8 percent of retailers indicated that they planned to invest in autonomous delivery vehicles, which should be a wise investment, as more than a quarter of consumers surveyed by *PG* expressed a desire for their grocery store to offer delivery via autonomous vehicles.

Retailers are also turning to technology to determine eco-friendly delivery routes. Farmstead, an online grocer, recently announced its new Sustainable Routes program, which groups together neighbors to receive their groceries on the same day in the same delivery window while offering customers three delivery windows a day. The goal is to get delivery vehicles off the road and reduce carbon emissions.

Additionally, Postmates delivery service has introduced Postmates Party, which allows users to see who in their area is ordering from which retailers and to group their deliveries together. Users get free delivery and can feel better about the environmental impact, and Postmates can reduce delivery costs.



Image



When it comes to omnichannel, 9 percent of retailers indicated that they had a fully integrated strategy that connects with consumers via multiple touchpoints; however, consumers saw it differently, with nearly one-third giving their grocery stores high marks for offering multiple omnichannel touchpoints. Retailers should take note that this gives them the opportunity to surprise and delight customers who seem to have lower expectations.

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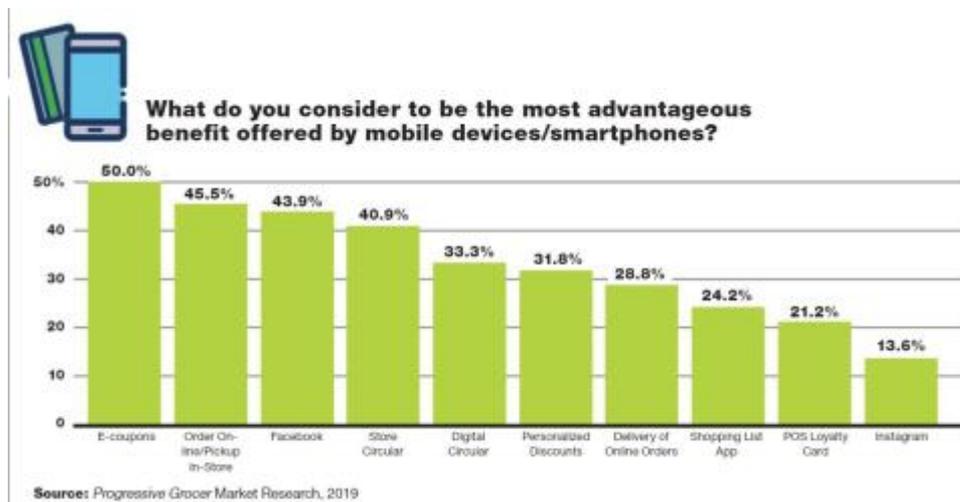
When it comes to the ubiquitous smartphone, both retailers and consumers see e-coupons as the best offering, with 50 percent of retailers and 41 percent of shoppers citing them as the most advantageous benefit.

Retailers seemed to place greater emphasis on social media, with 44 percent citing Facebook and 14 percent citing Instagram as the most advantageous benefits offered by smartphone. Conversely, only 10 percent and 5 percent, respectively, of consumers cited the same.

However, Suzy, a consumer insights platform, released a report that found that consumers are more likely to hear about health food trends on social media. And where do they go to shop in support of these food trends? The grocery store. So while consumers may not be making the connection between social media and your store (and it might not be your social pages promoting the trends), social media is playing a role in where they shop, especially if a retailer has a reputation for specializing in or offering a large selection of trending health products.



Image



For consumers, ordering kiosks topped the list of technologies that they would like their retailer to offer, with 28 percent of consumers citing this desire, while only 11 percent of retailers reported that they had plans to implement ordering kiosks in the next year. In-store mobile product scanning also was in the top three desires — autonomous delivery vehicles came in second — with 22 percent of consumers wishing that this service was available at their store. They may soon get their wish, as 17 percent of retailers indicated that they planned to add mobile scanning in the next year.

About the Author

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Kat Martin was senior editor of Progressive Grocer. [Read More](#)