## Prices may be up, but fewer shoppers are cutting down on grocery purchases

**G** grocerydive.com/news/prices-may-be-up-but-fewer-shoppers-are-cutting-down-on-grocery-purchases/648051/ Sam Silverstein

## **Dive Brief:**

- Even as inflation continues as a dominant concern for shoppers, people were less likely in February than they were in late 2022 to reduce the amount of groceries they purchased, according to <u>survey data</u> released Tuesday by FMI – The Food Industry Association.
- Average weekly household spending on groceries hit \$164 during the period the survey covered — up from \$148 a year ago and above the level of \$161 recorded in late
  March 2020, at the onset of the COVID-19 pandemic.
- Grocery costs have overtaken gas prices as shoppers' top worry when it comes to inflation, underscoring the highly visible role food retailers play in how people perceive the way the economy impacts them.

## **Dive Insight:**

While the share of shoppers who said they bought fewer groceries dropped to 32% in February from 41% in October 2022, the data indicates that people have nevertheless been taking active steps to mitigate the impact food costs are having on their finances.

Sixty-eight percent of shoppers in the survey said their grocery spending was more than it was a year ago, up from 59% in 2022, and the vast majority of those people (85%) blamed that additional spending on rising prices.

Although grocery inflation has been slowing, it remains sharply elevated, according to U.S. government statistics.

More than half of respondents (52%) to the survey said they are looking for deals more than they did in the past, an increase of 5 percentage points since last October. Notably,31% buy items only when they are on special, up from 27%. Thirteen percent of respondents said they have stopped buying organic products, and 14% have reduced their purchases of fresh produce, although both of those figures were below their levels in October.

In addition, the percentage of people who buy less fresh meat or seafood than they did before has trended downward, while the proportion who buy more of those items frozen has increased, suggesting that shoppers are looking at myriad strategies to manage costs while keeping their homes stocked with food. Shoppers have also been buying more items in bulk in person, increased their purchases of products carrying store brands, and stepped up their use of loyalty programs, according to the research.

Some 15% of shoppers said they eat out less often, a behavior shift the report pointed out generally pushes people to buy more groceries. Still, spending on food in restaurants outpaces grocery spending by a margin of 53%to 47%, according to the report.

The poll, part of FMI's ongoing U.S. Grocery Shopper Trends survey, was conducted from Feb. 1-14 by The Hartman Group and reflects responses from 2,105 shoppers.

The survey also found that people visited an average of 5.2 grocery stores in February, up slightly from 4.9 during the same period in 2022. In addition, consumers are placing greater importance on quality perimeter goods — especially produce — and accurate pricing information in choosing where to shop.

The report noted that although worry about COVID has fallen to its lowest level since the early days of the pandemic, a third of shoppers remain"extremely" or "very" concerned about the disease.