



Retail Supply Chain Update

December 18, 2020

FMI: Supermarket pharmacies set for delivery of COVID-19 vaccine

- Pharmacies at supermarkets and other grocery retailers nationwide stand ready to begin administering COVID-19 vaccines once they're received, according to FMI-The Food Industry Association.
- FMI made its announcement Friday evening after an independent Food and Drug Administration panel granted emergency use authorization to the first coronavirus vaccine candidate, from Pfizer and partner BioNTech.
- Last month, the U.S. Department of Health and Human Services said the Federal Pharmacy Partnership Strategy for COVID-19 Vaccination program will provide COVID-19 vaccine coverage to about 60% of pharmacies in 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Grocery retailers participating in the program include Ahold Delhaize USA, Albertsons Cos., Costco Wholesale, H-E-B, Hy-Vee, The Kroger Co., Meijer, Publix Super Markets, Southeastern Grocers and Walmart, among others.

Grocery store sales rise almost 2% in November

- Sales at grocery stores edged up nearly 2% in November despite a decrease in total U.S. retail sales for the month, according to advance estimates from the U.S. Census Bureau.
- Food and beverage store sales, including grocery and beer/wine/liquor stores, rose 1.6% month-over-month to \$71.37 billion (seasonally adjusted) in November, the Census Bureau said Wednesday. Grocery stores saw a bigger gain, with sales up 1.9% to \$63.48 billion. On a year-over-year basis, November sales climbed 10.9% (adjusted) at food and beverage stores, reflecting a 10.5% increase at grocery stores.
- That represented an improvement from October, when food and beverage store sales (adjusted) decreased 0.7% month-to-month (including a 0.6% dip at grocery stores) and were up 9.6% from a year earlier (including an 8.8% gain for grocery stores).
- Year-to-date through November, food and beverage store sales are up 11.6% to \$776.99 billion, including an 11.4% increase to \$693.94 billion at grocery stores over the 11-month period.

Stockpiling returns as more grocery shoppers go omnichannel

- U.S. grocery shoppers have resumed stockpiling and become more frequent omnichannel consumers amid a resurgent COVID-19 pandemic, according to new surveys from Shopkick and ACI Worldwide.
- Of nearly 8,000 consumers polled nationwide Nov. 23 to 25, 48% report being more concerned about coronavirus now than a month ago, rewards app provider Shopkick said Monday. The increased worry about the virus, in turn, has led 61% of respondents to

stock up on groceries and other essential items, a sizable jump from 47% in a Shopkick survey during the first wave of COVID-19 in March.

- And more shoppers are poised to begin stocking up, Shopkick found. Of the 39% of consumers who aren't currently stockpiling essential items, 47% said they will do so if COVID-19 cases continue to proliferate.
- Overall, Millennials are the generation stocking up the most (65%), followed by Gen X (62%), Gen Z (59%) and Baby Boomers (57%).
- The top items being purchased by stockpilers include toilet paper (87%), food and water (85%), cleaning supplies (67%), hand sanitizer (61%), medicine and medical items (48%) and pet supplies (37%). And as in the first wave of COVID-19, shoppers seeking essential items are seeing increased out-of-stocks. Of those polled by Shopkick, 76% report that staple products in stock a month ago – such as toilet paper and cleaning supplies – are now less available at their local store.
- “These findings should serve as a huge wakeup call for retailers and brands,” Dave Fisch, general manager of Redwood City, Calif.-based Shopkick, said in a statement. “The same issues that severely impacted supply chains during the first wave of COVID have returned, as consumers revert to stocking up and panic buying. Retailers and brands must act immediately to implement strategies that will help keep store shelves well-stocked in order to maintain sales and consumer loyalty during this time.”

Which channels consumers use to buy groceries

Share of consumers making grocery purchases through select shopping channels



Source: PYMNTS.com

How consumers purchase different types of grocery products

Share of consumers purchasing select grocery products through select channels

	Percentage of grocery shoppers who buy select items any way	Visiting the store	ONLINE			Online shopping
			Buying online and having products delivered	Buying online and using curbside pickup	Buying online and picking up in the store	
• Nonfood items	98.9%	63.4%	21.1%	12.0%	3.5%	36.6%
• Packaged food products	98.6%	68.2%	14.3%	13.6%	3.8%	31.8%
• Milk and cheese products	98.0%	77.3%	8.6%	10.6%	3.4%	22.7%
• Fresh fruits and vegetables	98.0%	83.1%	6.1%	7.4%	3.4%	16.9%
• Pharmaceuticals	95.0%	71.6%	15.0%	5.8%	6.7%	28.4%
• Fresh (not frozen) meats	94.9%	81.3%	7.8%	8.2%	2.6%	18.7%
• Alcoholic products	72.8%	80.0%	7.6%	7.6%	4.8%	20.0%

Source: PYMNTS.com

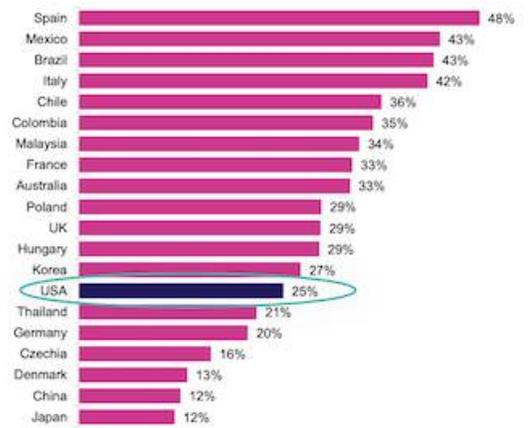
Americans rein in holiday food, gift spending due to COVID concerns

- With concern about coronavirus pandemic rising, U.S. consumers plan to spend 25% less on food and 36% less on gifts this holiday shopping season versus a year ago, according to customer data specialist dunnhumby.
- In the sixth wave of its Consumer Pulse Survey, a study of the impact of COVID-19 on consumer behavior and attitudes across 21 countries, dunnhumby found that Americans are at their highest level of worry about the virus since the crisis began. The dunnhumby Worry Index — a measure of how consumer concern about COVID-19 — climbed from a low of 24% in September (Wave 5 of the survey) and May (Wave 3) to 32% in November, coinciding with the recent escalation of the pandemic.
- The United States was the sixth-highest nation globally in the November Worry Index, behind Korea (44%), Chile (40%), Brazil (38%), Malaysia and Mexico (both 36%), and Columbia and Spain (both 35%).

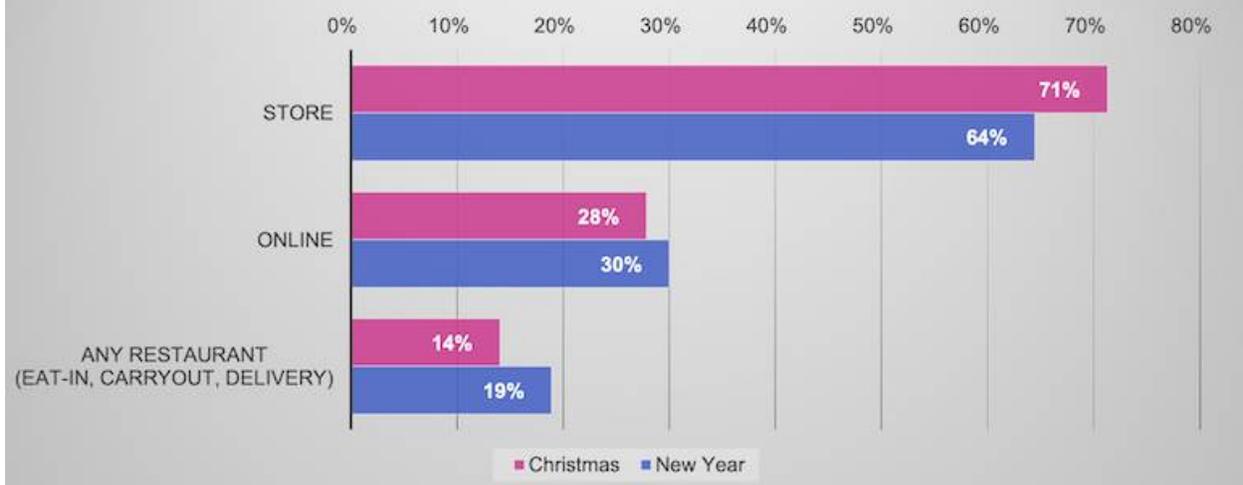
Anticipated spending during holidays compared to last year

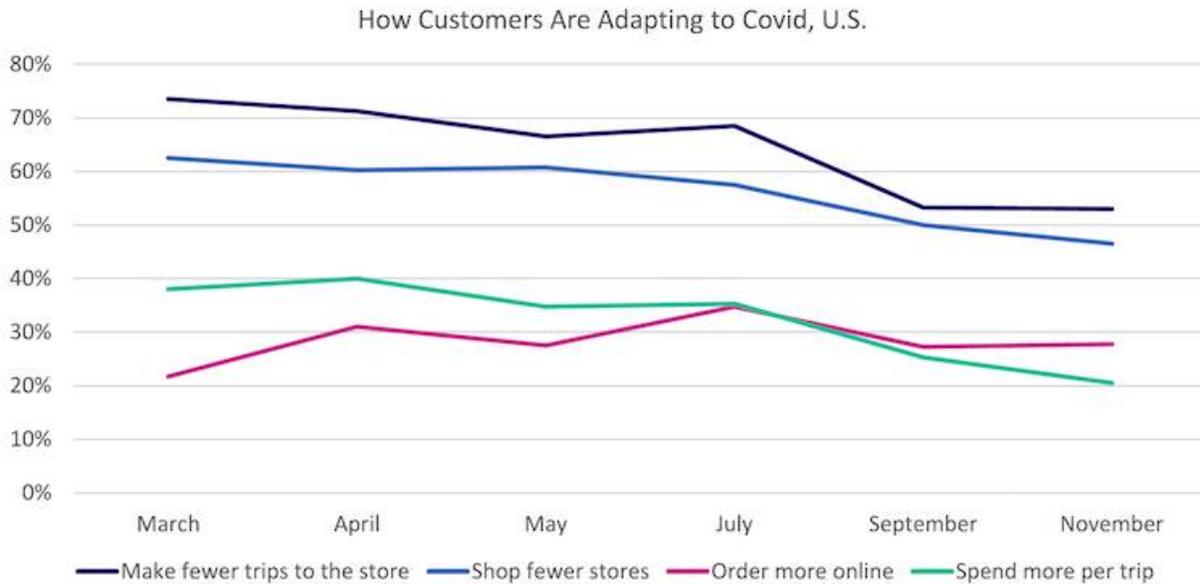


% who will spend less on food for the holidays



Where People Will Buy Their Food during the Holidays





Aldi, Instacart expand SNAP online EBT to over 1,500 stores

- Aldi and Instacart have expanded their integration of Supplemental Nutrition Assistance Program (SNAP) electronic benefit transfer (EBT) payments in online grocery orders to nearly 1,000 more of the deep discount grocer’s stores.
- EBT SNAP online payment for Instacart delivery and pickup orders launched Thursday at Aldi stores across 23 states and Washington, D.C. The companies unveiled their SNAP EBT partnership in late October, rolling out the capability to more than 60 Aldi stores in Georgia in November and then to 570-plus Aldi stores in Illinois, California, Florida, Pennsylvania and Texas in early December.
- “Aldi is proud to be the first grocery retailer to accept EBT SNAP benefits as a form of payment online via Instacart for grocery delivery and curbside pickup,” Scott Patton, vice president of national customer interaction services for Aldi U.S., said in a statement. “This service is now available at nearly 90% of Aldi stores, across 29 states and Washington, D.C., following successful pilots in California, Florida, Georgia, Illinois, Pennsylvania and Texas.”
- With the integrated capability, EBT SNAP participants can buy fresh food and groceries from Aldi via Instacart’s same-day delivery and pickup services. SNAP customers shop Aldi on the retailer’s page on Instacart’s online marketplace and mobile app. After setting up an Instacart profile, customers enter their EBT food card information as a form of payment. A secondary form of payment for nonfood items — such as taxes, tips and fees, according to SNAP guidelines — also will be needed.

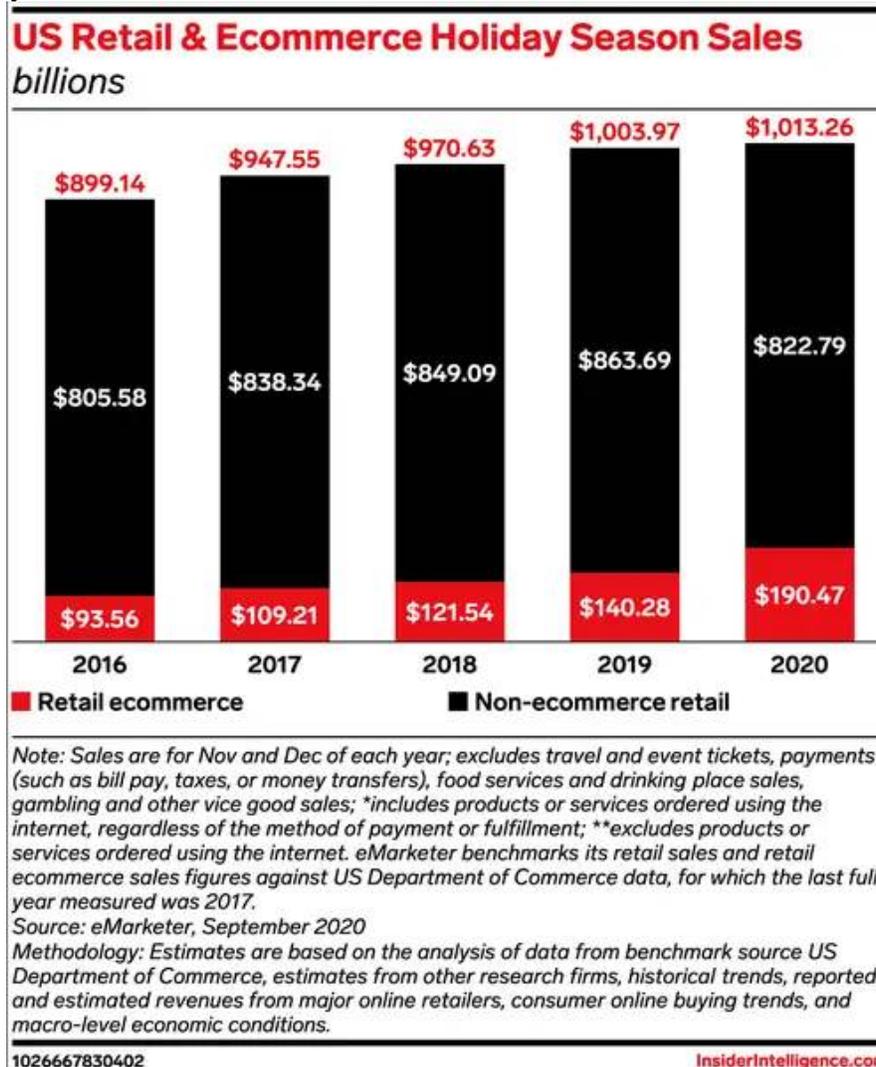
Walmart partners with TikTok to sell merchandise while livestreaming

- Walmart Inc, which is looking to invest in TikTok, said on Thursday it would partner with the Chinese-owned video-sharing app to sell items seen on a livestream by creators featuring the retailer’s fashion merchandise.

- Walmart said here viewers on TikTok, which reaches 100 million U.S. users a month, can shop for fashion items featured in content from popular creators without having to leave the platform. The livestream will take place on Friday on Walmart's profile page on TikTok.

Target and Walmart extended store hours to offset last-minute holiday ecommerce crunch

- Target and Walmart have introduced extended store hours to offset the last-minute holiday crunch.
- And Best Buy has implemented flexible in-store pickup options in an effort to alleviate delivery strains.



Tyson Foods Fires 7 Plant Managers Over Betting Ring On Workers Getting COVID-19

- Tyson Foods has fired seven managers at an Iowa pork plant after investigating allegations they bet on how many workers there would get sick from the coronavirus.
- The company, one of the country's largest meat suppliers, launched an independent investigation into the complaints last month, suspending without pay the managers allegedly involved. Former U.S. Attorney General Eric Holder led the investigation.
- "The behaviors exhibited by these individuals do not represent the Tyson core values, which is why we took immediate and appropriate action to get to the truth," Tyson Foods President and CEO Dean Banks said in a statement Wednesday. "Now that the investigation has concluded, we are taking action based on the findings."