

Grocery Inflation: How to Retain Customers in Challenging Times

The grocery shopper has changed dramatically in the last several decades. Inflation 2.0 is [grocery inflation](#) at levels not seen in a generation, and the grocery shopper's response is varied. "What do grocers need to know about grocery inflation and how can you ease the pain for your shoppers while preserving both your profitability and their loyalty?" says Paula Rosenblum, managing partner at RSR Research and author of The Grocery Game-Changer: How Digital Is Transforming the Consumer Experience. The grocery marketplace has evolved as well, with e-commerce grocery now a significant part of the landscape. In order to preserve shopper loyalty and profitability, grocers need to understand these changes and take action accordingly. Here are three key ways to do just that.

First, keep your pricing in check. In order to stay competitive, it's important to maintain a sharp focus on pricing. You can no longer afford to be complacent about the prices you charge for your products. Second, invest in digital capabilities. Today's [grocery shoppers](#) are looking for convenience, transparency, and personalized service. They expect to be able to find what they want, when they want it, and at a price that suits them. Meeting these expectations requires a significant investment in digital capabilities, from online ordering and delivery to in-store pick-up and mobile apps. Finally, don't forget about promotions. Despite the current climate of high prices, shoppers are still looking for deals. Offering promotions and discounts is a great way to show shoppers that you value their business – just be sure to keep an eye on margins so you don't erode your profits in the process. By understanding the new grocery landscape and taking action accordingly, you can preserve shopper loyalty and profitability – even in the face of inflation 2.0.

Click on the below link for more information:

<https://www.mercatus.com/blog/grocery-inflation-how-to-retain-customers-in-challenging-times/>

Inflation has been a problem for eCommerce groceries for some time now. With the pandemic, we've seen an increase in the price of goods and a decrease in availability. This has led to [e-commerce grocery](#) having to rely on other methods of distribution, such as local farmer's markets. In order to keep up with the demand, eCommerce groceries have had to pass on the cost to the consumer. We've seen an 8.3% increase in Consumer Price Index (CPI) since last year. This is due to the rise in costs of food, transportation, and labor. The outlook for eCommerce groceries is positive, as long as they can keep up with the demand and find ways to offset the rising costs.

As inflation rates continue to rise, consumer behavior is changing in a variety of ways. One such change is the increased popularity of online grocery shopping. Online grocery shopping makes it easier for shoppers to stay within their food budget because they can see their shopping cart

total in real-time. It also helps reduce impulse and unplanned purchases. In addition, online grocery shopping makes it easier to find deals and compare prices. However, this increased price transparency can erode customer loyalty. The takeaway is that inflation is changing consumer behaviors in myriad ways. Responding to inflationary pressures is about more than protecting your bottom line over the short term. You need to understand how you can respond to, and work with, these behavior changes to retain business and increase your loyal customer base, ensuring profitability in the near- and long-term.

In these uncertain times, it's more important than ever to offer your customers a range of options that meet their needs and budgets. Remember, the "barbell" effect applies: as some consumers seek less expensive foods, others opt for premium and convenience, and are willing to pay for it. It's a good reminder that while everyone feels the pain of inflation to some degree, there is no one-size-fits-all solution.

Be sure to use a variety of strategies in your eCommerce site — including personalization — to capture the spectrum of consumer behaviors. By employing solutions that show sensitivity to the needs of your shoppers, you'll win satisfied customers today and their loyalty in the future.