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Myths in the Age of Personalization

These days, we often use the word myth to describe an accepted story or concept that is not necessarily objectively true but contains elements of the truth. As Stephen Colbert would say, it has a "truthiness" to it. The danger is that while mythic statements may be catchy and capture some elements of the truth, they can also be seriously exaggerated to the point of being dishonest and even flat out wrong.

In FMI's 2019 US Grocery Shopper Trends, which focused on personalization, we encountered four myths about what customers want, demand, or expect regarding personalized service in the supermarket. In every instance, there was an element of truth to each myth, but upon further scrutiny we found them to be inflated to the point of being inaccurate. Let's look at each of the four myths about retail personalization and see what's true and what has been misrepresented to the point of becoming erroneous.

Myth #1: Shoppers want everything personalized

The true aspect of this assertion is that shoppers appreciate differentiated treatment or customized service that makes shopping easier. However, this statement moves beyond the realm of truth if you interpret it to mean that shoppers want retailers to do everything for them.

Consumers are not ready to abdicate control of their shopping experience in the name of service. They still expect to maintain control of their shopping cart – even if someone else is loading it for them. Shoppers do desire help executing their dietary scheme, but that help needs to empower them to better make their own decisions, not decide things for them.

The shopper's desire to control their own nutritional destiny gets manifested in many ways, beginning with the diversity and number of places shoppers use in procuring their food for at-home meals.

Americans shop a diversity of formats and stores to meet their special mix of values, health, taste, and economic grocery needs. According to FMI's Trends data, US households visit an average of 3.1 different food retail channels and go to an average of 4.4 different retail banners per month. This means shoppers are choosing a host of different formats – including superstore, club store, online, and pharmacy, in addition to a range of traditional grocery stores in the execution of their family shopping and eating strategy. No single store appears to be all things to all shoppers, and so consumers are customizing their own path by choosing the store that best serves their needs in a given area of service.

Another indication that shoppers want to maintain control their own grocery cart can be seen in who they count on for ensuring food safety standards are met.

Consumers give food stores high marks for trust (93 percent) and confidence (89 percent) in food safety. Overall, however, consumers recognize food safety as a collaborative dance – a complex choreography involving a number of partners, including government agencies (FDA, USDA), their food stores, consumer groups, and families. But consumers put themselves near the top of the list of who is responsible for making sure the food brought at the grocery store is safe. There may be many dancers in the food safety chorus line, but it is the customer who determines who their trusted dance partners will be in performing the routine.

Likewise, shoppers indicate they want to stay in charge when it comes to executing their nutritional food shopping game plan. When we asked, "Who do you hold responsible for the nutritional content of the food you buy," shoppers again provided a list that included government agencies, manufacturers and food stores, farmers, and others. These are the collaborators they call on to help with the nutritional determinations, but ultimately consumers identify themselves as the driver of the nutrition bus. And in an interesting demographic note, the older the generation, the more self-reliant they were in making nutritional determinations.

So, it is a myth that shoppers want everything personalized. Yes, they appreciate customized service that makes the task of shopping easier, but there are lines that should not be crossed. Shoppers expect to remain in control of their own shopping experience and hold themselves responsible for personalizing their own trip. Indeed, that's how they think of shopping: it's designing a path of their own to getting their needs met.

They find retailer customization efforts that cross the boundary from guidance to control invasive. Shoppers do expect and appreciate retailers providing clear, readily available information about their positions on social issues, product philosophy, and values as a company. But such information must stay within the bounds of being a tool in assisting shoppers, so they can make the best, easiest, and most flexible choices when executing their ever-evolving shopping and eating strategy.

Myth #2: Personal eating requirements mean shoppers buy for individuals rather than family

Everyone has experienced the tension within family dynamics of negotiating between the needs of the one versus the many. There are times when the group must bend to wishes of the individual, and times when each person has to give in to satisfy the needs of the whole family unit.

The stress personalization places on the individual lends itself to the myth that customization negates the needs of the majority for that of the one. But this fiction misses the part family plays as the vehicle through which individual needs and wants find their expression.

According to FMI's Trends data, 86 percent of all adults say they have at least half of the responsibility for their household grocery shopping. The argument could be made that more people are shopping in order to ensure that their particular eating wants, wishes, and needs are addressed, but the truth is more complex. For instance, in my household, my wife and I divvy up the grocery shopping responsibility, and I confess that part of my motivation for sharing the chore is to make sure certain foods make it into our pantry and refrigerator. But not everything I buy is for me alone. There are products that I buy for the whole family and items that over time have become my responsibility to buy for our daughter.

Over the past five years, FMI has been tracking the growth of shared shopping. Roughly 75 percent of shoppers participate at some level in the co-shopping paradigm and about one-third of all shoppers are in an explicit 50-50 shared shopping split of responsibility. The rise in co-shopping among multi-person households may indeed be an expression of personalization, but it is an act of personalization that contains a definite family facet to it.

It is important to note that while the information age places its accent on the individual and personalization, eating together as a family remains a clearly stated aspiration:

- 97 percent of households with kids say eating family meals at home is important
- 84 percent of households with kids report wanting to eat more meals at home
- 90 percent say that at-home meals are healthier

The sum of these statistics add up to win-win scenario for both the customer and the food retail venue.

In short, customers are saying they think family meals are healthier, have tremendous social value, and are something they want to do more often. Grocery stores that inspire, support, and help customers overcome the obstacles to family meals will reap the reward of customer loyalty.

There just is no downside to joining the family meals movement, but in the name of thoroughness, let's look a bit closer at the interplay between the individual and the family.

FMI research shows that snacks and weekday breakfasts and lunches tend to be solo affairs - therefore when shopping for those meal occasions, the shopper's focus is upon the individual tastes and preferences of the persons who make up the family.

However, weekday dinners and weekend breakfast and lunches remain valued staples of family time, so shopping for those meals requires a focus on the family that is comprised of individuals. The eaten-together meal faces the challenge of providing a culinary common ground wherein individual tastes can be accommodated through garnishes, condiments, and assorted other tricks.

If all this sounds incredibly complicated, that's because it is. That is why the most difficult decision we face each day is often answering the question, "What's for dinner tonight?" It is why shoppers seek out those retailers who understand the complexity of it all and offer help in simplifying the execution of the families' dietary game plan.

So, to wrap up busting the second personalization myth, families do still very much want to eat together. Turning that wish into action requires consideration of the emerging tastes, changing needs, and personal preferences of family members – and being mindful of those emerging factors when ticking off items on the grocery list. On the other hand, fulfilling the wish for more family meals also requires disciplined commitment to those times when the accent must fall on the needs of many. There will be times when the desire for enjoying a meal together and developing healthy eating habits must take precedence. Assisting shoppers in shopping for those moments will always place severe limits on extreme personalization.

Myth #3: Specialized eating habits are the domain of specialty retail; mass market cannot compete

Similar to the previous myths, there's a grain of truth to this one, but it's wrong in its extreme form. It is certainly true that retailers positioned around a specialty find it easier to understand, make recommendations, and provide guidance to shoppers. After all, the customer's mere presence indicates an interest in the area of the store's expertise. The specialty store can then capitalize with focused resources. But it's worth remembering that the stores garnering the highest ratings from consumers get those marks through excelling at the benefits of personalization – convenience, caring, and enabling the shopper to meet their needs. Simply put, specialty stores do not own these benefits. In fact, specialty stores may even be at a disadvantage in the key area of convenience.

So rather than specializing, mass marketers should focus on personalizing. This means understanding what's driving consumers to the specialty store and meeting that need in the convenience of the more expansive store. In this arena, it's risky to make assumptions: People may be shopping at the organic butcher down the block not because it's organic, but because it's cheaper, or tastes better, or tells a better narrative around their meat products. Mass marketers can compete, provided they uncover the reason why consumers are shopping elsewhere and deliver a better solution for addressing those needs. Often the attraction of the specialty shop lies in understanding, catering to, and addressing customers' special requirements or interests. By meeting those needs and demonstrating you understand them via smarter customer service and better product curation and guidance, a mass marketer can excel.

At FMI we believe when food retailers and food manufacturers collaborate, everyone wins. That's true regarding improved supply chain efficiencies that move products and information faster, but it's even more true in the burgeoning arena of offering personalized products and specialty offerings. When brands and retailers strategize together on product assortment, they can offer the specialty products customers crave, without the hassle of having to make the extra stop at the specialty retailer.

Offerings such as MyBreaD where consumers can select from a variety of ingredient choices, allowing them to design fresh-baked bread ready for in-store pickup within hours, provide infinite "Instagrammable" moments and spur dinner time conversation. These kinds of personal touches help move shoppers from being just customers to becoming a critical part of your marketing team.

Myth #4: Digital experiences are more easily customized, and therefore digital platforms are the best place for a retailer to start personalization initiatives

The part of this myth that has a ring of truth lies in the ease with which digital platforms can enable customer customization and provide access to customer information. Where it misses the mark is in shortchanging the role face-to-face exchanges play in establishing the trust necessary for customers to grant access to their private information. FMI has stated for years that online versus bricks and mortar is not an either/or proposition. Nowhere is that more true than when it comes to personalization.

Technology is embedded in the shopping experience whether customers are shopping in-store or online. The consumer expectation is that technology engagement must embrace more than sales and delivery. Technology should provide a convenient means of engaging with the store, learning more about products it carries, and conveying a sense of the values it holds dear. A great mobile experience provides an opportunity for a store to stand out, differentiating itself. In the case of providing support to shopping and where only rudimentary data is shared, a digital-first approach may be appropriate.

But anything beyond such basic information sharing requires a foundation of trust. That kind of confidence calls for face-to-face experiences that reinforce the positive impressions created virtually.

BUILDING TRUST

Food is such a personal point of contact, consumers demand a consistency between the store's on-line persona and the in-store, offline character it presents. When it comes to building customer trust, digital efforts should amplify rather than seek to replace non-digital efforts.

In this regard, FMI has four recommendations to better integrate online and off-line/in-store personalization efforts that will help build and retain customer trust;

- **Empower user control:** Design new tools and platforms that allow maximum user control over data and information flow. Again, consumers want to be in the driver's seat regarding the shopping experience and that includes access to and use of their data.
- **Verify privacy and security:** Be clear with shoppers and demonstrate accountability for data use, sharing, and protection. Customers want to be assured that the banners they frequent have taken steps to safeguard the shopper's information before granting permission for it to be used – even if the company's use is exclusively for the customer's benefit.
- **Establish value:** Communicate the advantages of new personalization initiatives and show how they help shoppers meet household eating needs and preferences. Shoppers want to be able to customize the way they receive the information they need. They also want to understand how it addresses their families' needs, without feeling their privacy is being needlessly invaded.
- **Show optimal use**: Clarify how data is currently used and the benefits shoppers derive from it. Shoppers need to know what you're going to do with their data and how it will be gathered and used before granting access to it.

In the information age, stores wishing to support personal eating and enable their customers to shop in personalized ways rely upon having permission to gather, interpret, and act upon that data. That level of permission is more readily granted when online messages are in sync with in-store experiences, with both grounded in a sense of care, concern, and trust-building respect. Executing a good personalization strategy means paying close attention to the granular. In the case of the four myths, it means recognizing the grain of truth in each of them. At the same time, however, it also means taking them with a grain of salt.