

# Capturing Gen Z Fresh Spend

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NIQ Insights Team

April 2025

# NIQ

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# Today's Fresh Expert



**Colleen McGinnis**, Director, Emerging Brands

*Colleen.mcginnis@nielseniq.com*



# *About today...*

- Understand the *unique shopping behavior of Gen Z* within the Fresh Departments
- Identify the *risks and opportunities* manufacturers and retailers face with *the incoming generation of fresh buyers*
- Learn how to *foster engagement and loyalty* of a generation that is set to become a *dominant force in retail*
- Apply these *insights and tools* to your business to succeed in 2025 and beyond

**NIQ**

# Sales rebounding in the store, especially for Fresh departments

High price increases driving volume away from Center Store grocery

## Sales growth across the store

Total US xAOC

■ \$ % Chg YA   ■ Unit % Chg YA

### Food – Center Store

Grocery department

Latest 13 weeks



Latest 52 weeks

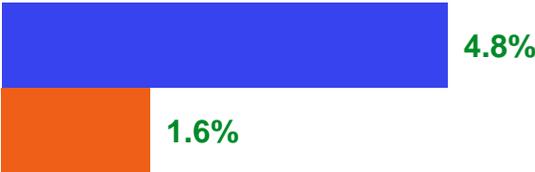


Avg Unit Price % Chg vs YA

	L13	L52
YA	+2.1%	+1.8%
3YA	+21.1%	+25.5%

### Food – Fresh

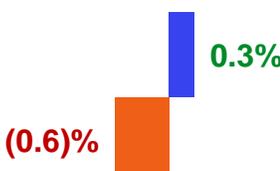
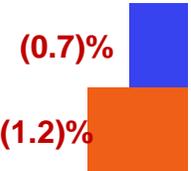
Dairy, Deli, Bakery, Frozen, Meat, Produce, Seafood departments



YA	+3.1%	+2.1%
3YA	+13.4%	+16.1%

### Non – Food

Alcohol, Baby, Health & Beauty, Household, Pet, & Tobacco



YA	+0.6%	+1.0%
3YA	+13.7%	+17.7%

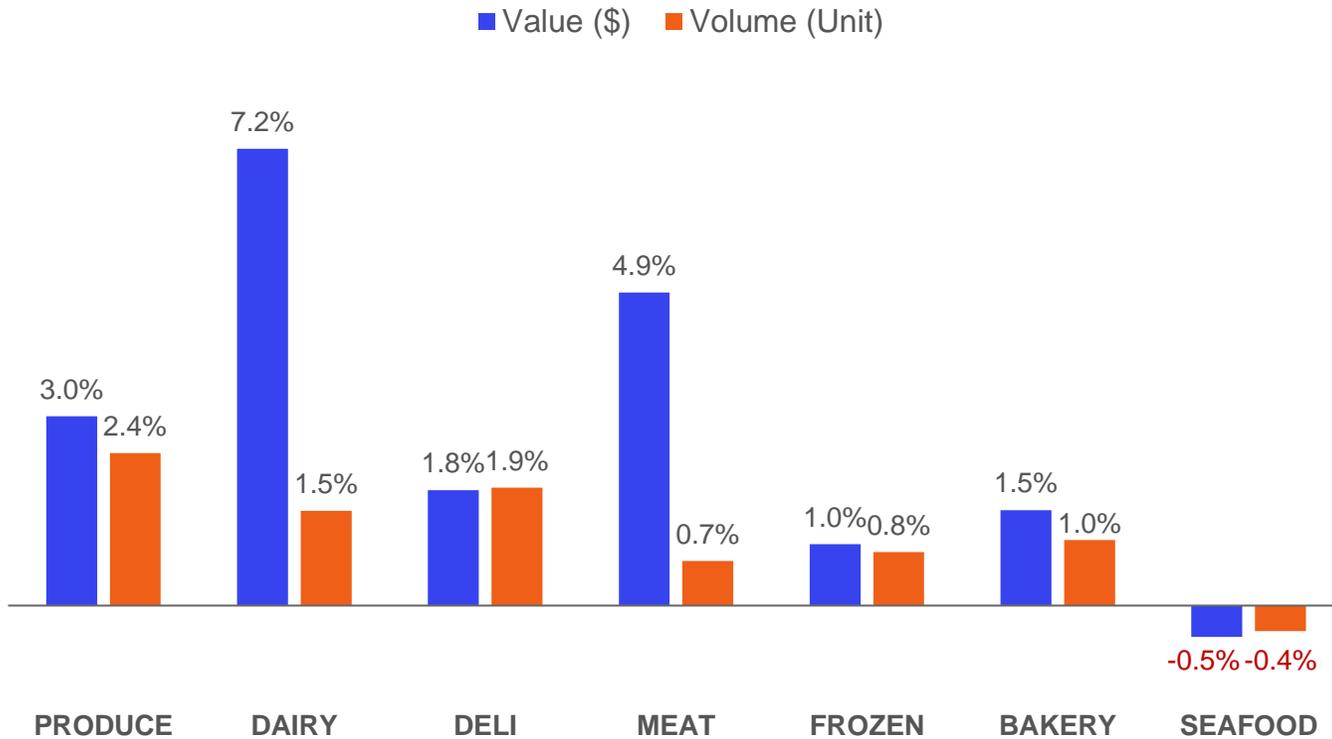
Source: NielsenIQ Retail Measurement | US NIQ Total Store Inc Fresh | Latest 13 & 52 w/e 03/15/25

# Over the latest year, Fresh units increased by +1.6%...

Produce, Dairy, and Meat drove dollar & volume growth for Total Fresh over the latest year

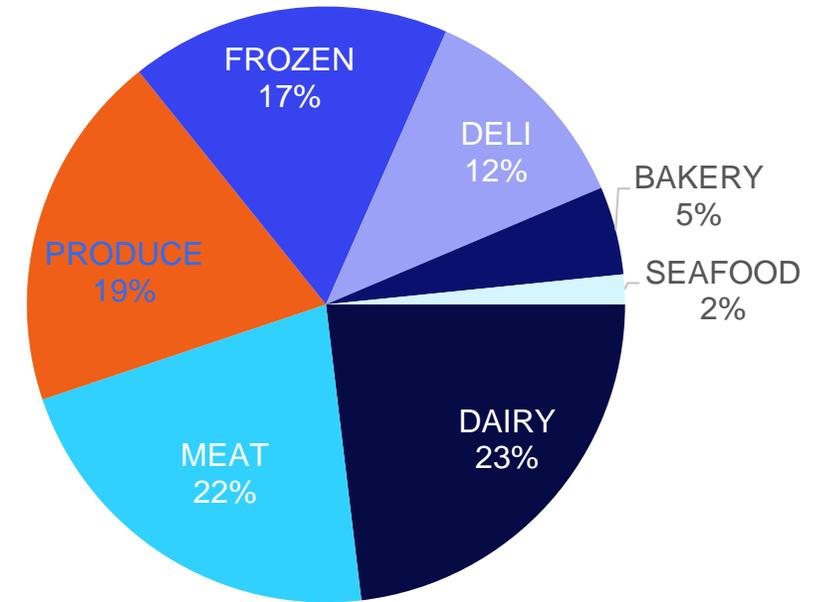
## Fresh by Department\* – Value and Volume % Chg vs YA

Total US xAOC



## \$ Share by Fresh Department – L52

Total US xAOC



\*ranked in descending absolute unit change vs prev

Source: NielsenIQ Retail Measurement | US NIQ Total Store Inc Fresh | L52 w/e 03/15/25

**Gen Z — or as its spending habits and patterns will show, “Spend Z” — is the generation to track today and for years to come. Almost 25% of the population, Gen Zers are a global force that will increase their spending power dramatically over the next fifteen years. If you’re going to grow with Gen Z, you’re going to need a full view of what’s now and what’s next.**

- NIQ Spend Z Report

# Formative and current life experiences shape generational priorities

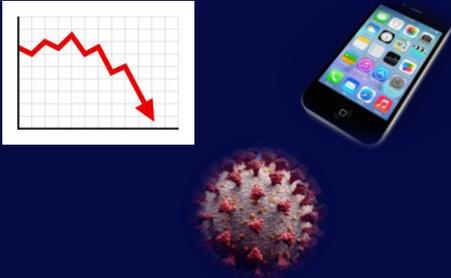
## Gen Z

(1997 – 2012)

12- 27 years old

- ½ not working age (N= approx. 34 mil)
- Digital natives
- Is the planet going to survive?

### Formative Events



### Character Traits

Social activism ♦ side-hustle ♦ immediate satisfaction ♦ ethnic diversity ♦ less trusting

## GenY/Millennial

(1981 – 1996)

28 – 43 years old

- Parents of school aged kids
- Career growth
- Causes

### Formative Events



### Character Traits

Experiences ♦ innovative ♦ likes change ♦ social causes ♦ multi-taskers

## Gen X

(1965 – 1980)

44- 59 years old

- Peak earning years
- Span teenagers to empty nesters
- Education expenses

### Formative Events



### Character Traits

Self reliant ♦ big picture ♦ independent ♦ values flexibility ♦ skeptical

## Boomers

(1946 – 1964)

60- 78 years old

- Most are retired
- Healthcare expenses increasing
- Caring for aging parents

### Formative Events

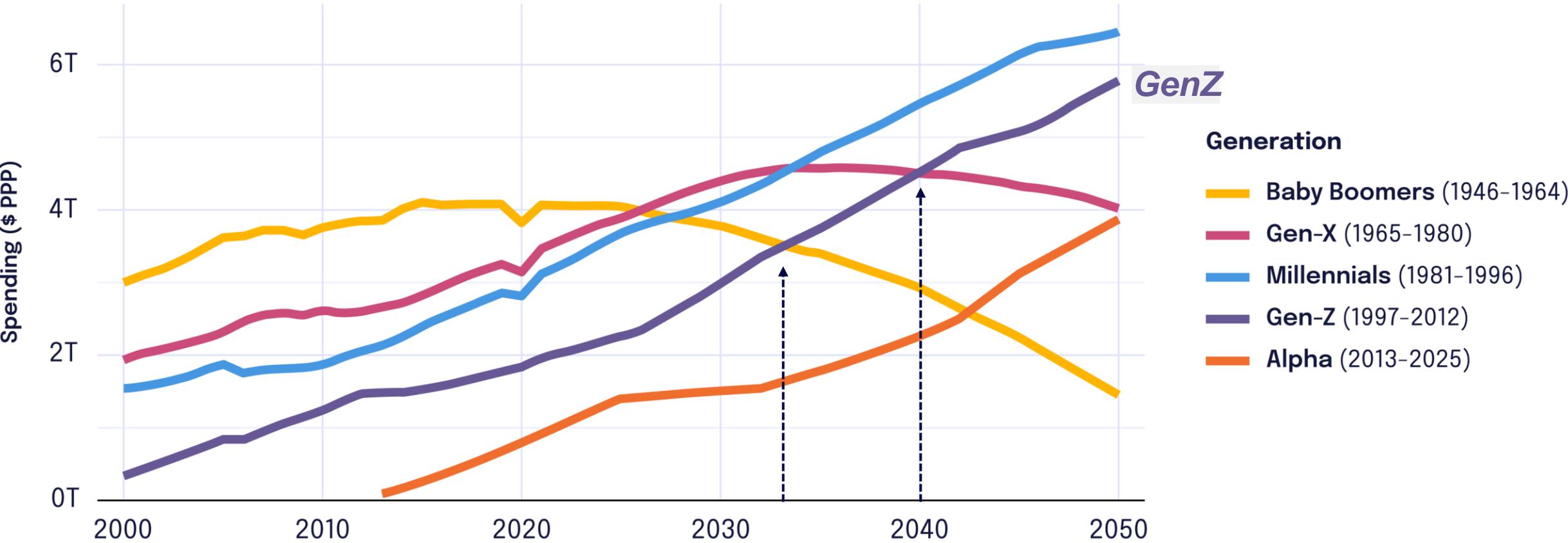


### Character Traits

Financial stability ♦ brand loyalty ♦ American Dream ♦ less influenced by peer pressure

# Critical shifts in Gen Z's spending power occur over the next fifteen years

## US Spending by Generation

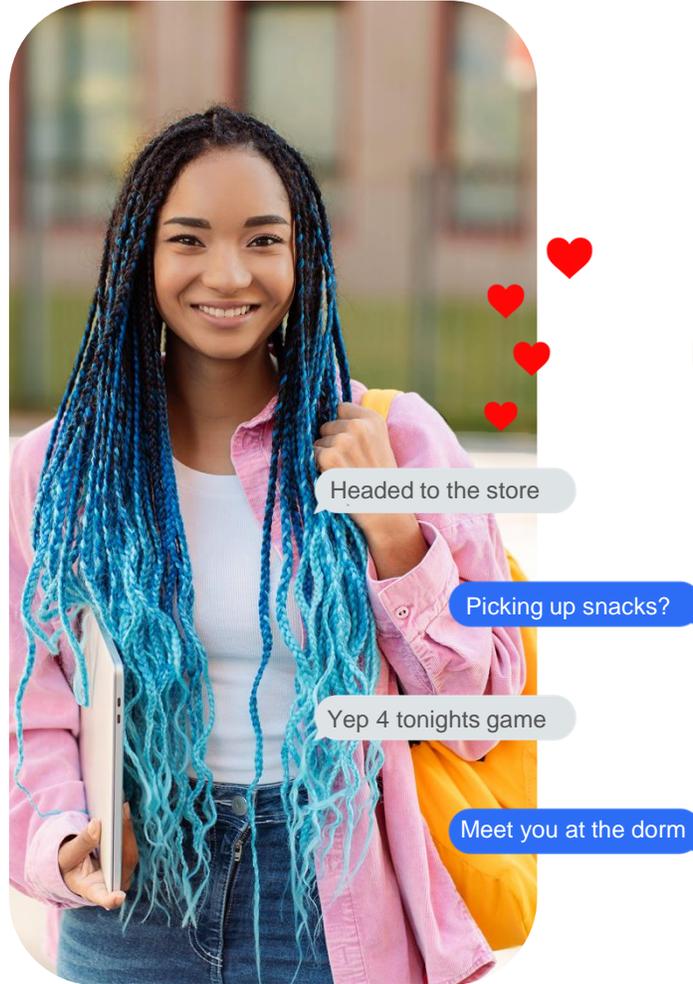


# Gen Z's Current Habits and Spending

# Far from a monolith: **Gen Z** is in **many life stages**



**12 Yrs Old**



**18 Yrs Old**

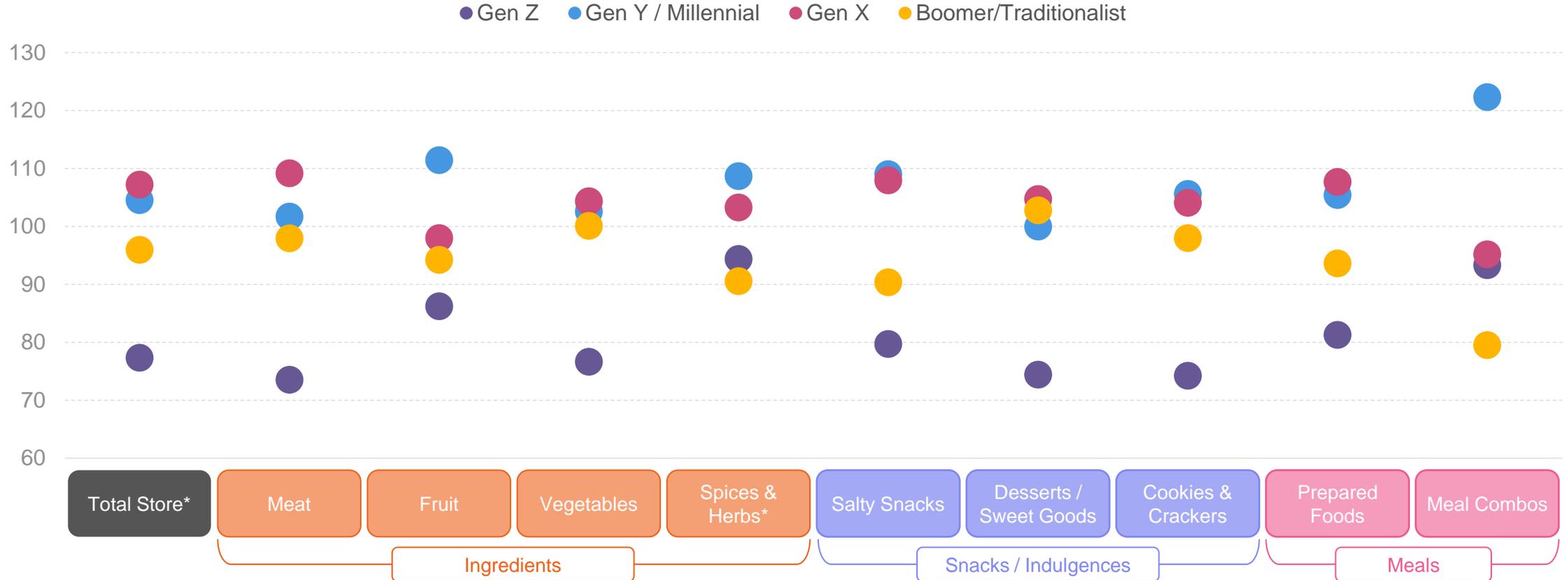


**27 Yrs Old**

# Generations shop differently across the store

Spices & Herbs and Meal Combos index highest for Gen Z

## Current CPG Spending (\$/Buyer) | Index to Total Panel



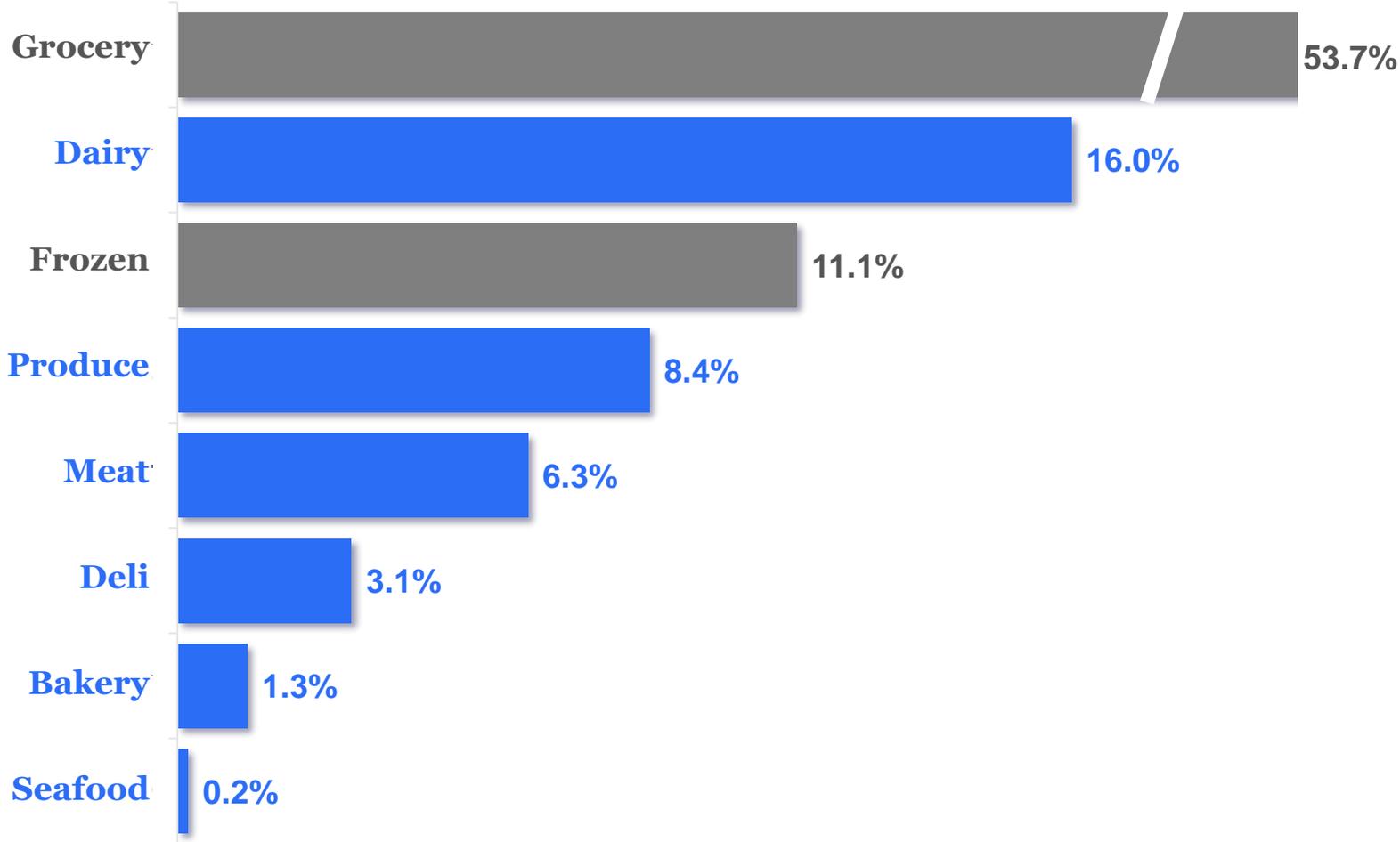
\*Total Store = All departments across the store, excluding Prescription Drugs; Spices & Herbs = Extracts, Herbs, Spices, and Seasonings

Source: NIQ Omnishopper Panel; Total US; Total Store; \$ share of Total Panel; 52 weeks ending August 17, 2024

# Evaluate risk of Fresh growth contribution under-indexing for Gen Z

Fresh depts aren't driving growth for Gen Z to the same degree as they drive growth in store for the rest of the panel

## Contribution to In Store \$ Growth by Department – Gen Z



### Contribution to growth index (Gen Z vs. Total Panel)

- Contributing to growth for Gen Z but declining for Total Panel
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- Contributing to growth for Gen Z but declining for Total Panel
- Produce: **20**
- Meat: **28**
- Deli: **27**
- Bakery: **9**
- Seafood: **2**

Source: NielsenIQ Discover Panel on Demand Omnishopper |US OSH – NDH Synd Full View – 444 3yr | Entire Dataset; L52 W/E 10/05/2024

# Gen Z's meal habits and preferences don't favor fresh products

## Meal Habit Indices across Generations

### I often eat Frozen meals



### I often eat my meals on the run



### I prefer picking up quick meals to cooking meals



Source: NielsenIQ Spectra; data version October 2024

# What are the current challenges for fresh?

Fresh is currently not well positioned with some of Gen Z's generational priorities; what makes catering to this generation particularly difficult for Fresh?



## Need to be prepped

Many fresh foods need to be prepared or cooked, which takes time and is **less convenient**



## Shipping compatibility issues

It's **hard to maintain temperature state** in delivery packages, limiting Fresh's compatibility with things like online orders, deliveries, autoship and subscriptions



## Lack packaging claims

Fresh items aren't always packaged in a way where it's easy to call out **claims linked to wellness, sustainability, social activism**



## Novelty

It's **difficult to innovate** in a lot of fresh categories, which makes fresh often less novel and exciting than other products Gen Z may be seeing on social media.

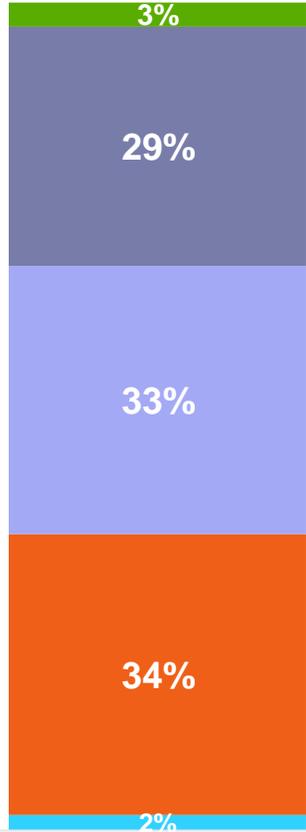
# Gen Z Shopping Behaviors and the Omni Environment

# There are still big opportunities In Store with Gen Z

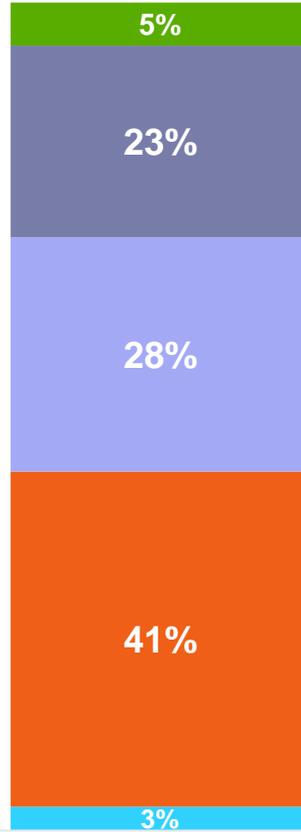
Gen Z favors quick in and out trips, and they're more likely to take 9+ grocery trips in a week – they're in the store!

## Trip Type – Total Fresh

■ Browse/Explore ■ Quick In& Out ■ Fill In ■ Stock Up ■ None



AO Generations



Gen Z

## Gen Z purchasing habits – Total Store

Gen Z is **17%** less likely to stock up if a food item is on sale

Gen Z is **9%** less likely to have dinners planned ahead of time

Gen Z is **41%** more likely to make 9+ grocery trips a week

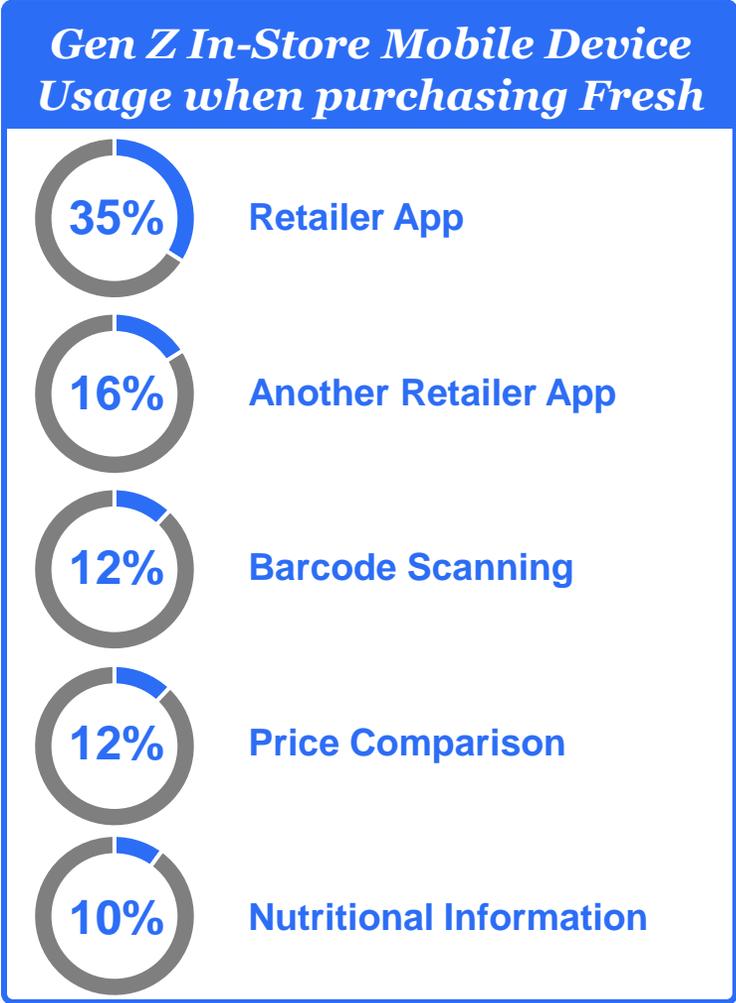
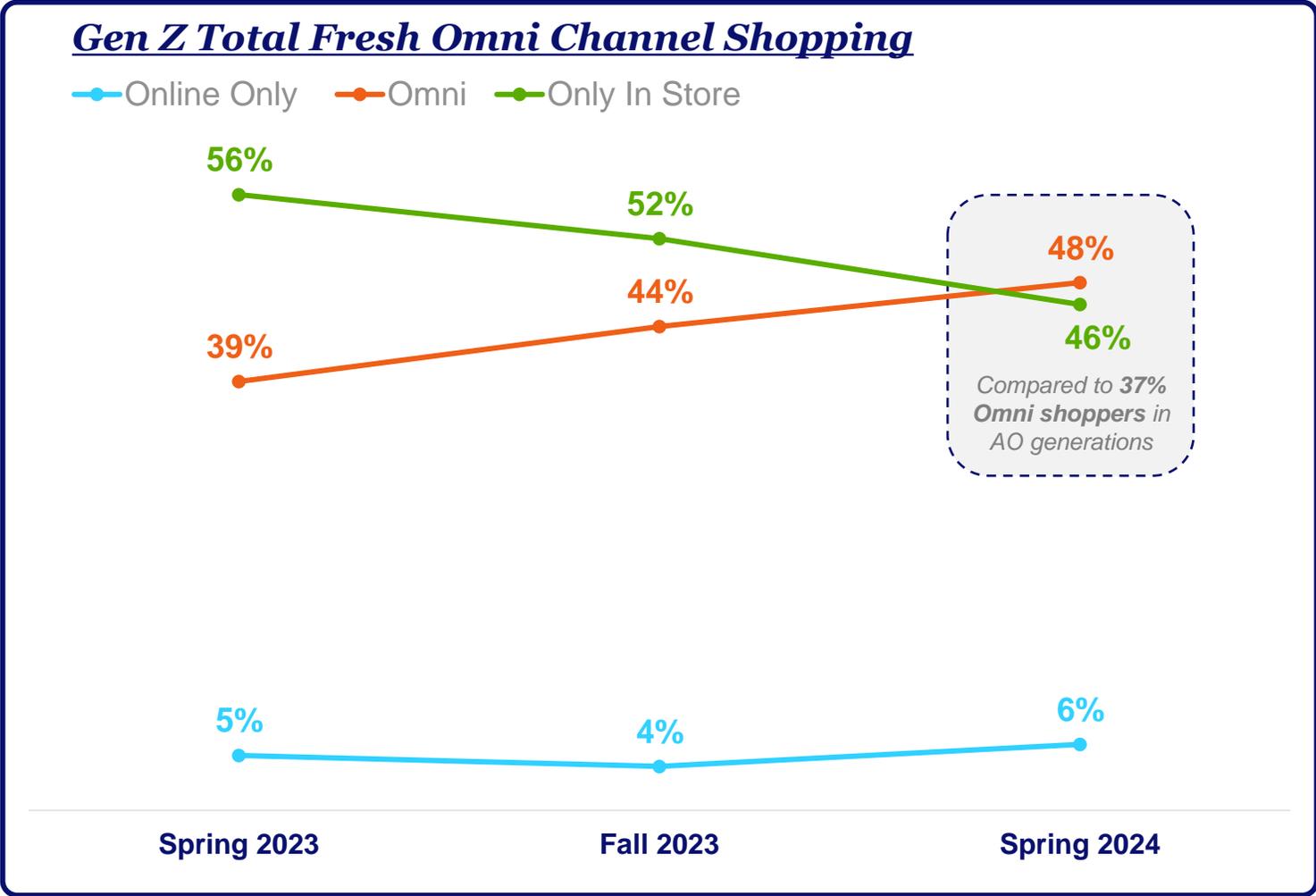
Gen Z is **27%** less likely to use store flyers and brochures

Gen Z is **21%** more likely to seek out variety

Source: NielsenIQ Omnishopper Fundamentals; Spring 2024; & Spectra October 2024

# Create cohesive cross channel experiences that cater to Gen Z Omni behavior

Gen Z seamlessly blends Online and Offline shopping, with Omni overtaking In-Store in Spring of 2024



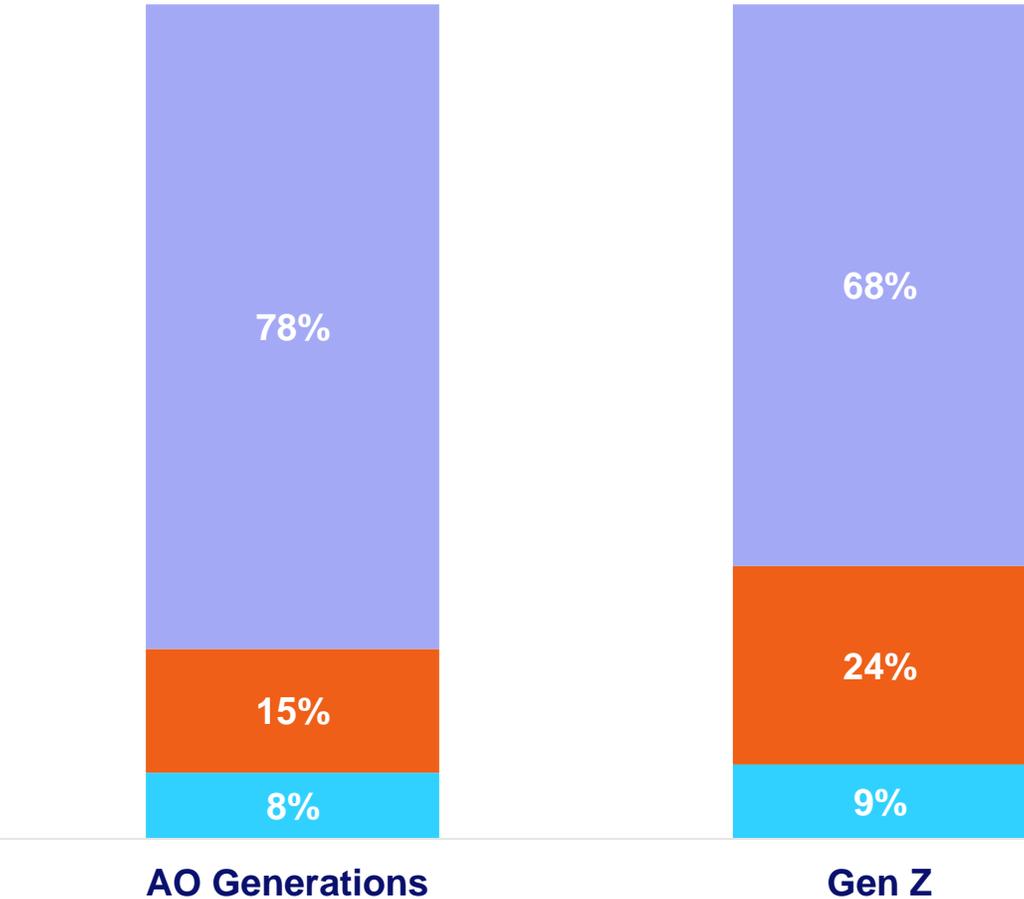
Source: NielsenIQ Omnishopper Fundamentals; Spring 2024

# Use technology to enable reminders and encourage impulse buying

This strategy can be applied both in store and online

## Planned vs Impulse buys – Total Fresh

■ Impulse ■ Reminded ■ Planned



## Gen Z purchasing habits – Total Store

- Gen Z is **19%** less likely to prepare a grocery list
- Gen Z is **14%** less likely to decide what they want pre shop
- Gen Z is **47%** more likely to make an impulse purchase
- Gen Z is **21%** more likely to buy an item in spur of moment

Source: NielsenIQ Omnishopper Fundamentals - Spring 2024; NielsenIQ Spectra October 2024

# Connecting with the Gen Z Consumer

Opportunities for Retailers and Manufacturers

# Connect with Gen Z through...



## Social Media

Gen Z is...

**95%** more likely to purchase products they see used or recommended by friends on social media

**90%** more likely to purchase products they see on social media

**74%** more likely to be influenced to buy a product they see a celebrity using on social media



## Technology

Gen Z is...

**61%** more likely to be OK with companies using their personal info to understand products and services they might want

**57%** more likely to accept text message ads in exchange for a discount



## Value Alignment

Gen Z is...

**37%** more likely to expect the brands they buy to support social causes

**25%** more likely to go out of their way to buy a product they is environmentally safe



## Store Experience

Gen Z is...

**30%** more likely to purchase a product after trying an in-store sample

**24%** more likely to prefer specialty stores where the employees are more knowledgeable about products

**21%** more likely to refer to store demonstrations for finding products to buy



## Convenience

Gen Z is...

**67%** more likely use an online grocery and food delivery service

**56%** more likely to feel fast foods fit their busy lifestyle

**29%** more likely to feel stressed from juggling personal and work demands

Source: NielsenIQ Spectra; data version October 2024

# Fresh items winning with Gen Z highlight convenience

When Gen Z does buy fresh, purchases lean more towards products that require less preparation

Classic Fresh Pick — Sliced Ham

Gen Z Pick — Lunch Combos



Gen Z	38	131
Millennial	63	174
Gen X	104	109
Late Boomers	141	55
Early Boomers	159	41
Pre Boomers	159	36

Classic Fresh Pick — Tilapia

Gen Z Pick — Prepared Sushi



Gen Z	38	120
Millennial	67	112
Gen X	93	124
Late Boomers	115	94
Early Boomers	100	84
Pre Boomers	131	75

Classic Fresh Pick — English Muffins

Gen Z Pick — Breakfast Sandwiches



Gen Z	27	129
Millennial	56	91
Gen X	85	117
Late Boomers	142	108
Early Boomers	187	82
Pre Boomers	208	77

Classic Fresh Pick — Fruit Salad

Gen Z Pick — Fruit Smoothie



Gen Z	62	174
Millennial	67	132
Gen X	80	110
Late Boomers	118	73
Early Boomers	143	55
Pre Boomers	167	55

Source: NielsenIQ Spectra; data version February 2025

# These manufacturers and retailers have already modernized to appeal to Gen Z

Some manufacturers appeal to Gen Z's need for convenience with direct-to-consumer fresh packages while others use social media to grab the attention of Gen Z

## Convenience – Fresh Product Delivery

### Hungry Root

Meet your partner in healthy living

Save hours planning, shopping, and cooking. We deliver food you'll love + easy recipes.



### Daily Harvest



Select your items

Put together your perfect mix of chef-made meals + snacks.



Choose a delivery date

Decide the day of the week and how often you want to get your food.



Stick a fork in it

Or a straw. Our meals come ready to heat, eat, or blend.

## Store Experience + Tech Focus

### Amazon Whole Foods



### Publix



### Kowalski's



## Social Media

### Trader Joes

Instagram



traderjoes  
2,154 posts 3.2M followers 0 following

Trader Joe's  
Shopping & retail  
• Your Neighborhood Grocery Store  
• Fearless-ly featuring products, recipes & more...  
@linkinprofile.com/traderjoes

# traderjoes  
527.3K posts

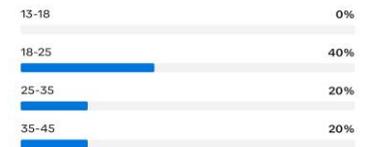
trader joes fettuccine alfredo

Global Last 7 days

Search popularity

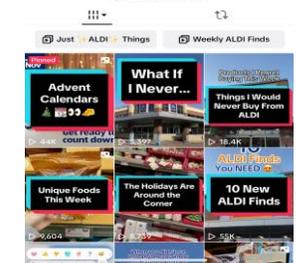
302K

Age



### Aldi

ALDI USA  
@aldiusa  
31 Following 319.4K Followers 2.2M Likes



# aldi  
365.1K posts

Easy aldi meals

Global Last 6 months

Search popularity

607K

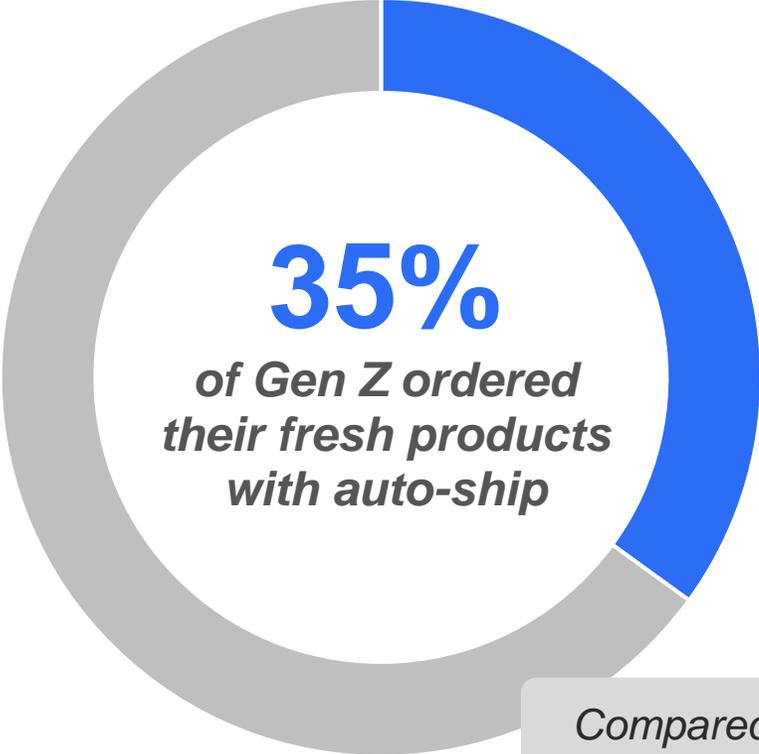
age



# Cater to Gen Z's buying habits through auto ship

Auto ship meets gen z need for convenience and eliminates purchases through reminders

## Gen Z Auto ship Purchasing – Total Fresh



Source: NielsenIQ Omnishopper Fundamentals; Spring 2024

# Technology and marketing is key to staying competitive

Wild Alaskan Company speaks directly to Gen Z values and priorities



**Value Alignment!**

**Auto-Ship Technology!**

**Convenience!**

**Innovative Packaging!**

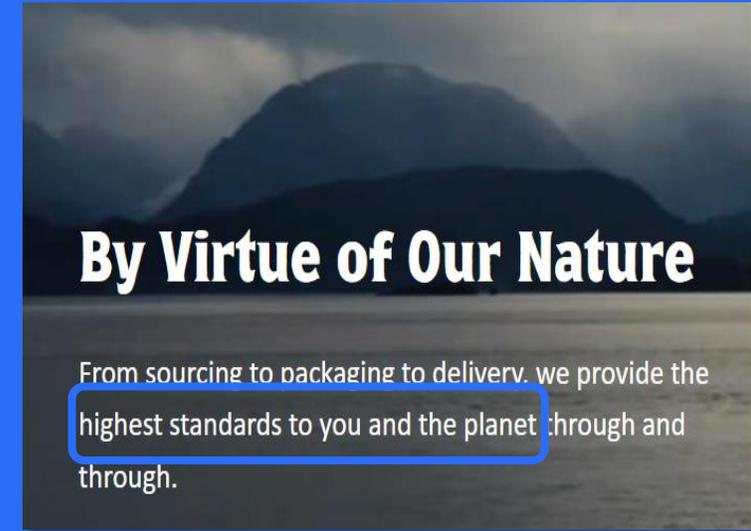
## WILD-CAUGHT SUSTAINABLE SEAFOOD DELIVERED

A monthly seafood membership that delivers sustainably-sourced seafood to your doorstep.

**WILD ALASKAN  
AK COMPANY**

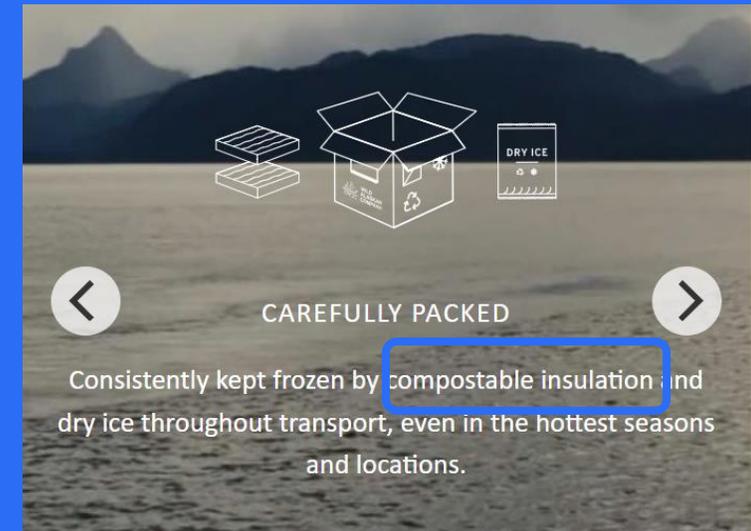
Coastal Salmon  
Sockeye Salmon  
Pacific Halibut

[Wild Alaskan Company](#) | [Order Seafood Online](#) | [Wild-Caught Alaskan Seafood Delivery](#)



## By Virtue of Our Nature

From sourcing to packaging to delivery, we provide the highest standards to you and the planet through and through.



**CAREFULLY PACKED**

Consistently kept frozen by compostable insulation and dry ice throughout transport, even in the hottest seasons and locations.

***Gen Z mindset to bring to your Fresh business; capture Gen Z spend with immediate action!***



### **Social Media**

- Ensure online social presence and build engagement through proprietary posts and influencer partnerships



### **Technology**

- Leverage technology to streamline shopping process through informational/nutritional QR codes, interactive store maps or carts and seamless/contact free check out experiences
- Use Apps or discount text messaging to offer personalized discounts
- Improve package options to maintain temperature states and incorporate freshness indicators



### **Value Alignment**

- Highlight sections dedicated to sustainable, environmentally friendly, and ethically sourced offerings.
- Support social causes and be transparent about your efforts. Authentically show up in these efforts to build trust and loyalty
- Prominently display quality and freshness guarantee to build trust



### **Store Experience**

- Create immersive in store experiences through interactive displays and demonstrations
- Incorporate community spaces, juice bars and on-tap drinks to add a social element and curate an inviting and enjoyable shopping experience.



### **Convenience**

- Ensure seamless integration of in-store and online purchasing experiences
- Provide subscription and auto-ship options
- Increase and enhance shelf space for prepared fresh options

# Generational Questions You Might be Asking

*in partnership with NielsenIQ*

***Is my brand/department on track to capture the spend of the next generation?***

***How can I identify which products to prioritize in efforts to appeal to Gen Z?***

***What ways can I engage and foster loyalty from Gen Z in the Omni environment?***

## NIQ products & sources

*you can use to answer top questions*

- **Panel on Demand Omni shopper**
- **Spectra**
- **Omni Shopper Fundamentals**
- **NIQ Spend Z Report**

# Thank you!

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