

Capturing Gen Z Fresh Spend

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NIQ Insights Team

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NIQ

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Today's Fresh Expert



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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

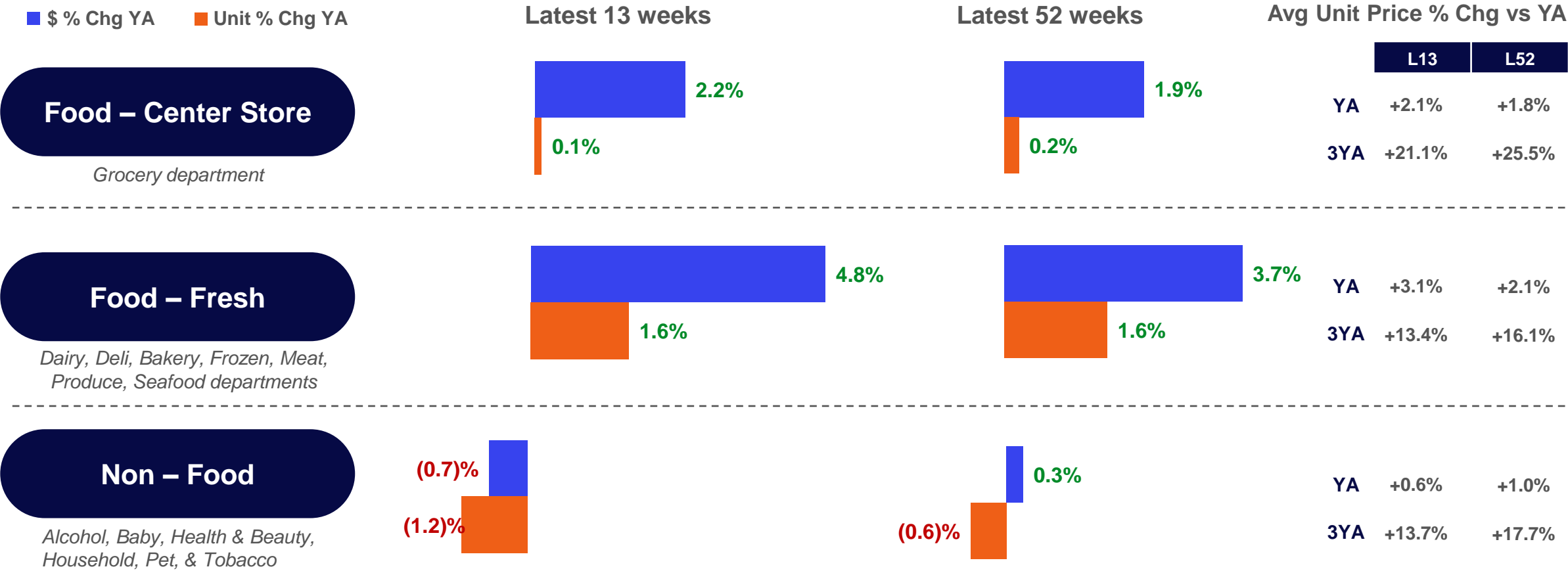
NIQ

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

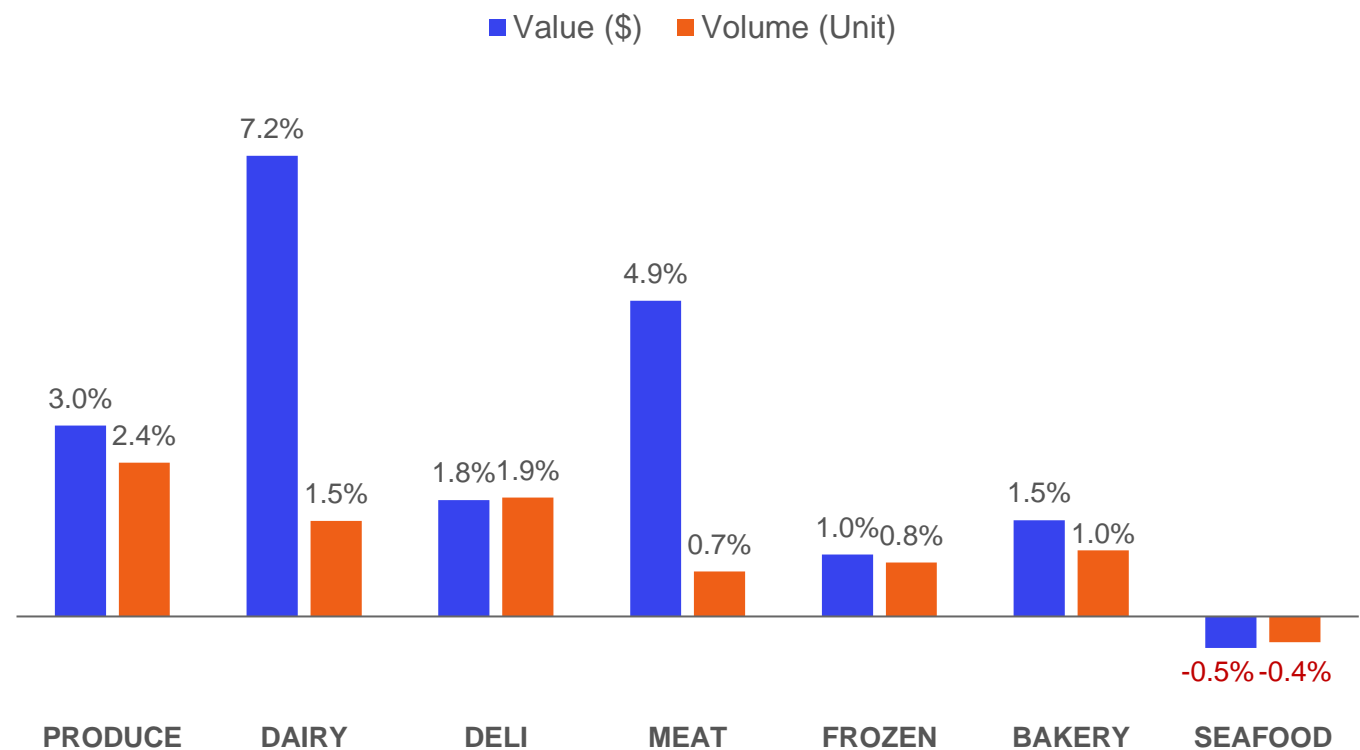


Source: NielsenIQ Retail Measurement | US NIQ Total Store Inc Fresh | Latest 13 & 52 w/e 03/15/25

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

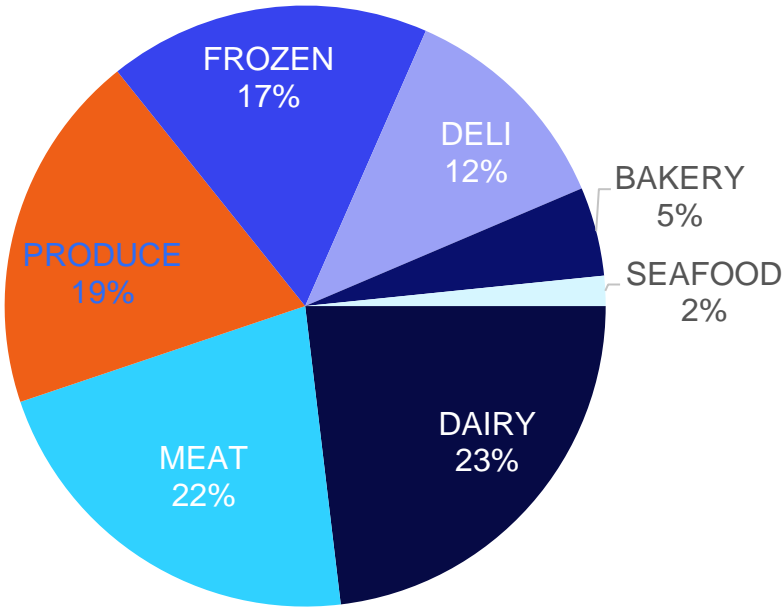
Fresh by Department* – Value and Volume % Chg vs YA
Total US xAOC



*ranked in descending absolute unit change vs prev

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

\$ Share by Fresh Department – L52
Total US xAOC



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

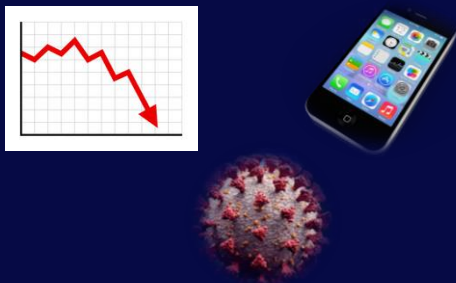
Gen Z

(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

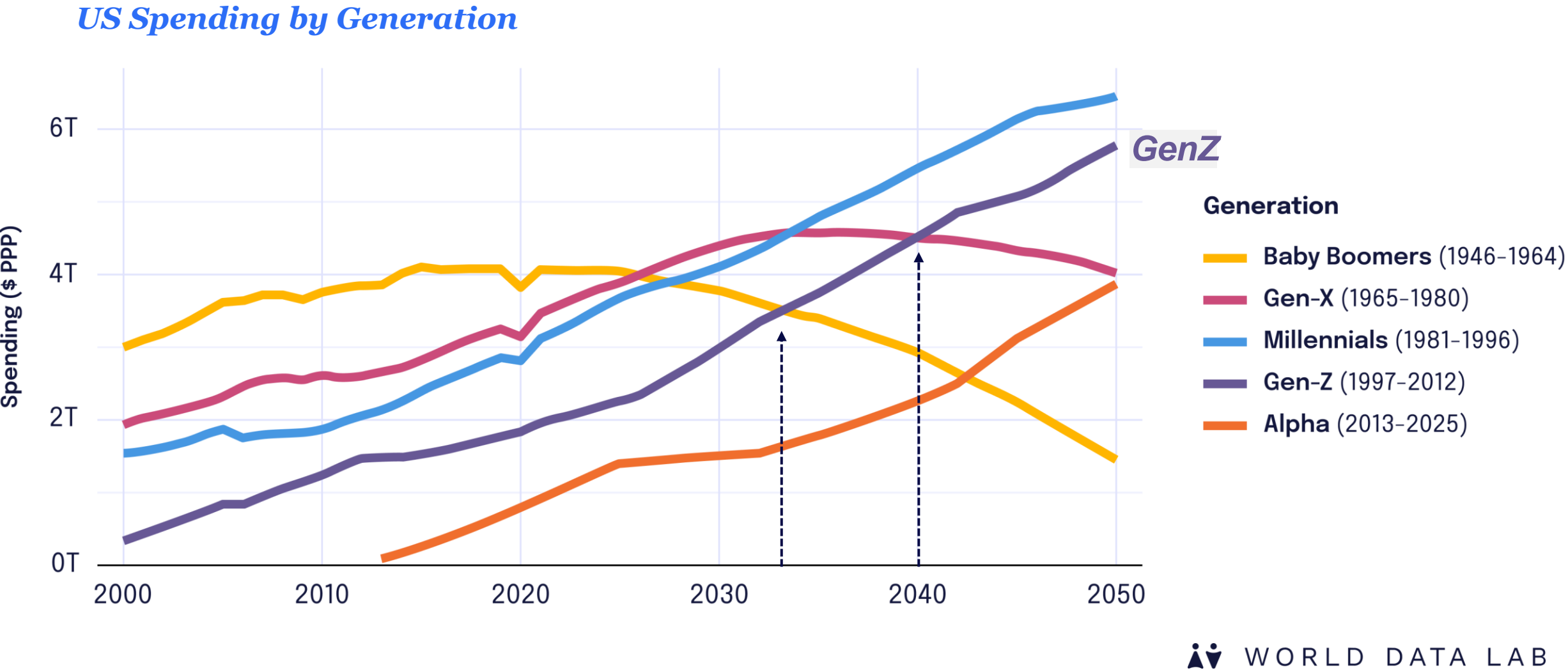
Formative Events



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

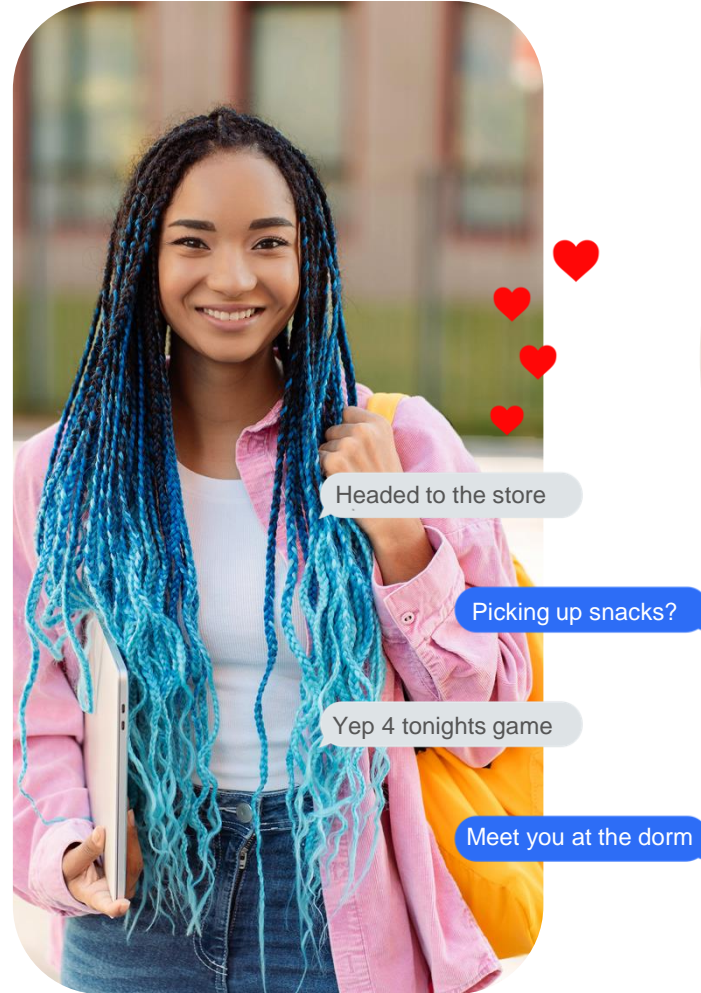


Gen Z's Current Habits and Spending

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



12 Yrs Old



Headed to the store

Picking up snacks?

Yep 4 tonights game

Meet you at the dorm

18 Yrs Old

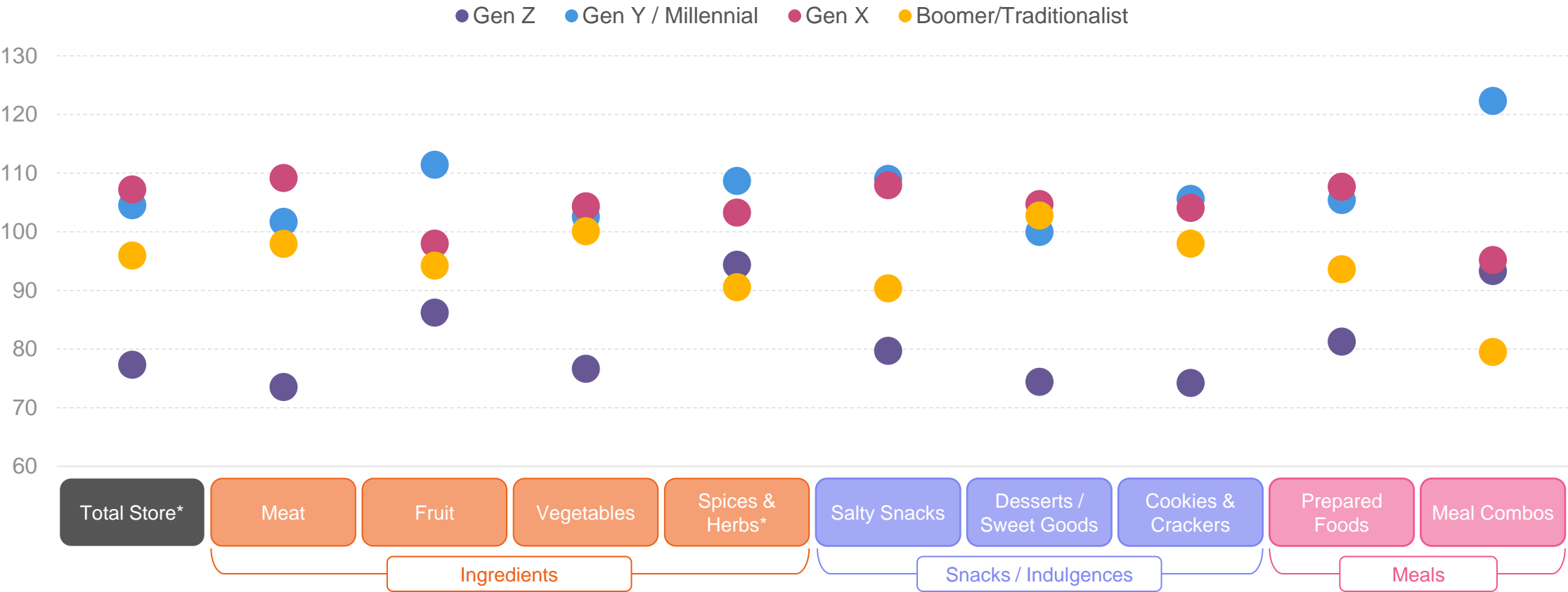


27 Yrs Old

Generations shop differently across the store

Spices & Herbs and Meal Combos index highest for Gen Z

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



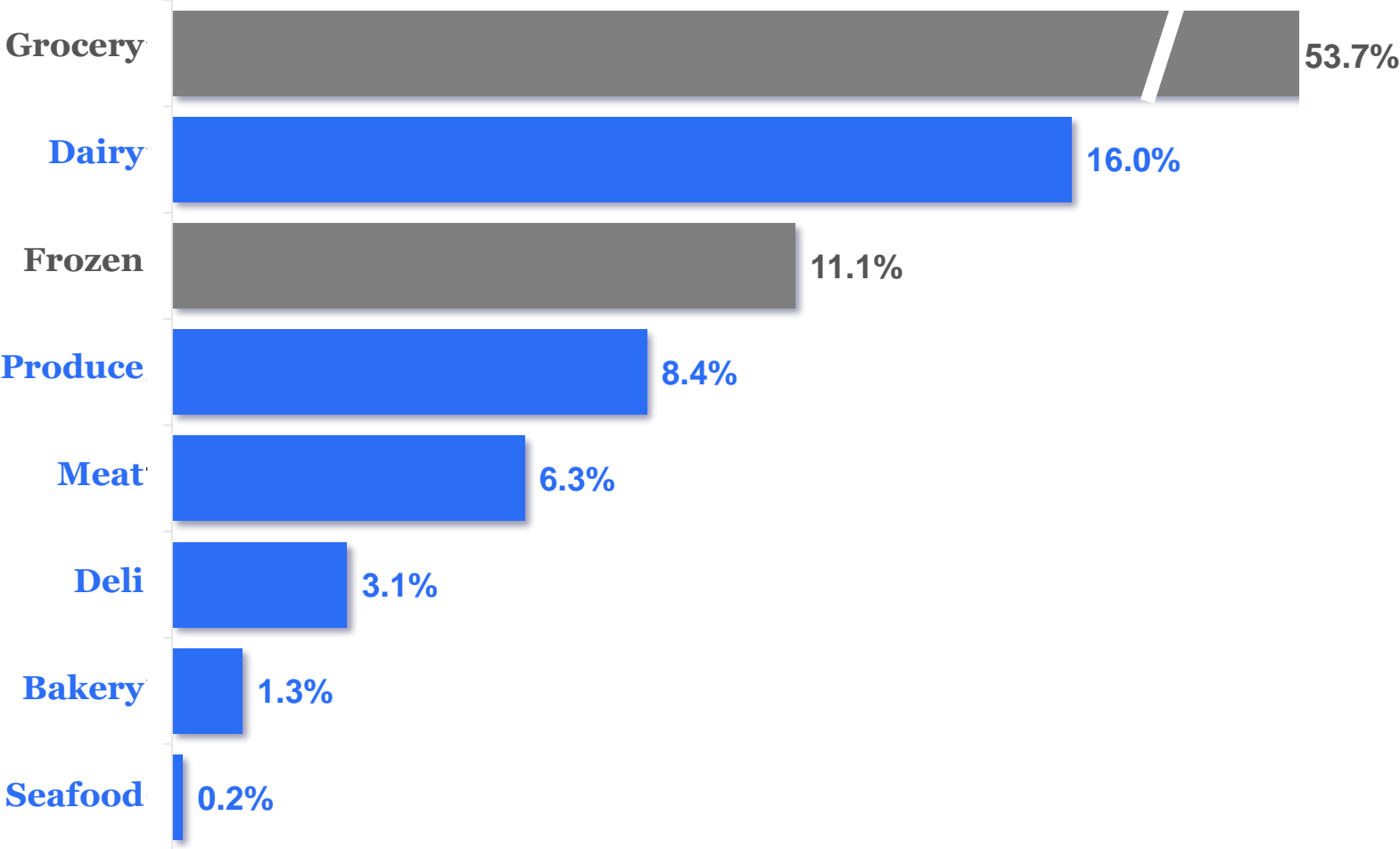
*Total Store = All departments across the store, excluding Prescription Drugs; Spices & Herbs = Extracts, Herbs, Spices, and Seasonings

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

Contributing to growth for Gen Z but declining for Total Panel

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.

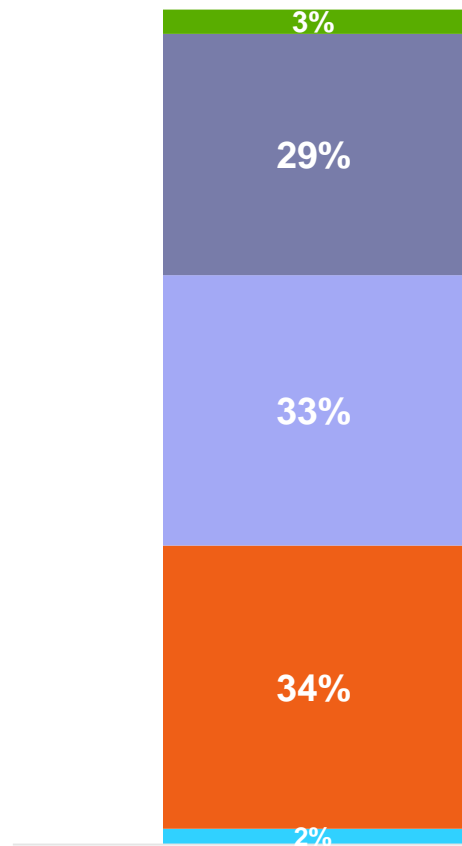
Gen Z Shopping Behaviors and the Omni Environment

There are still big opportunities In Store with Gen Z

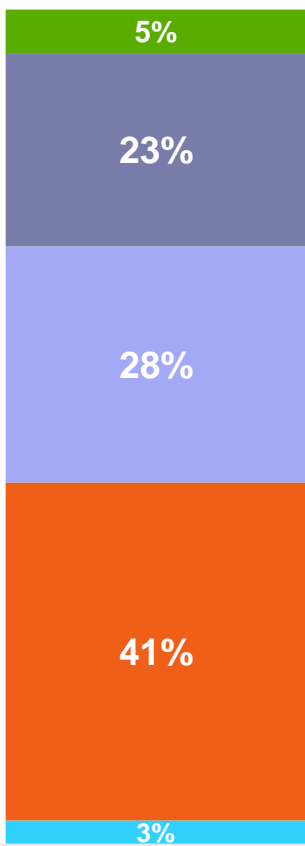
Gen Z favors quick in and out trips, and they're more likely to take 9+ grocery trips in a week – they're in the store!

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

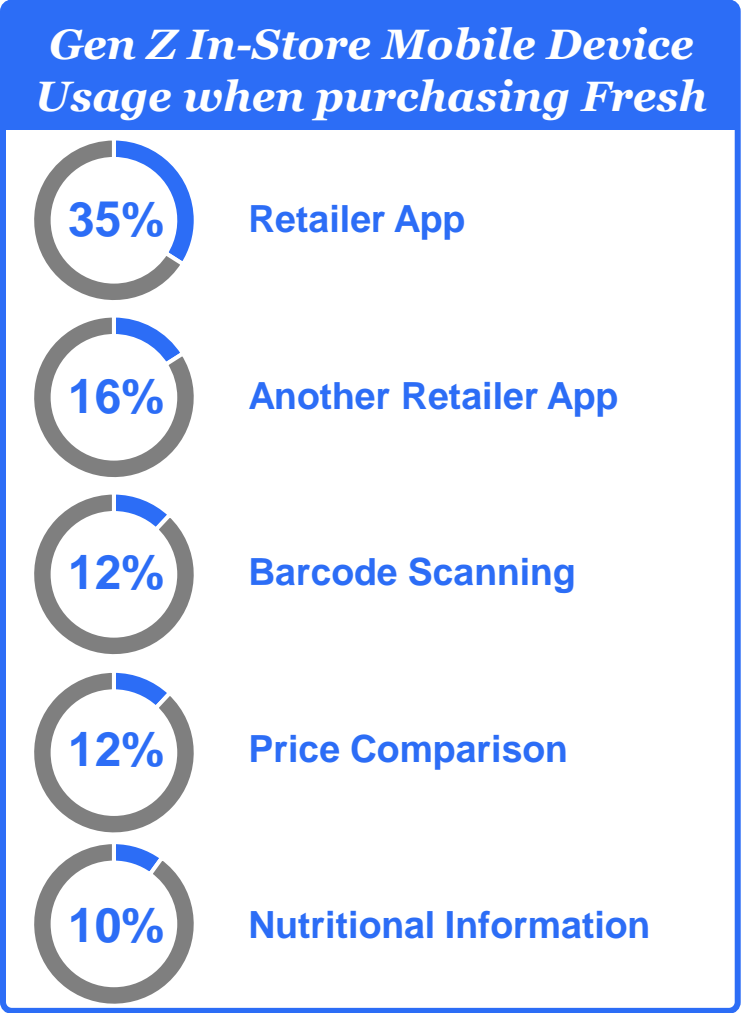
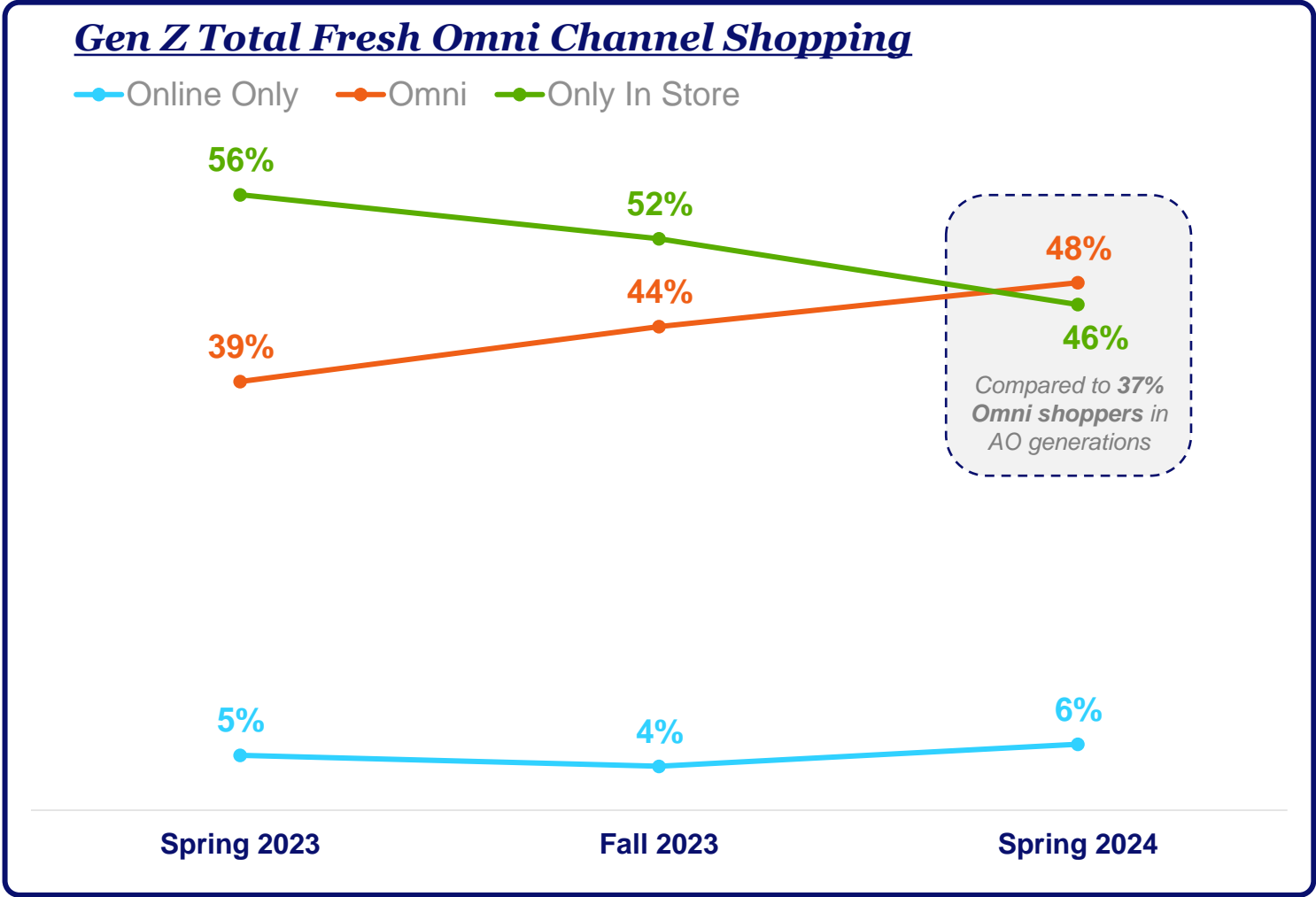
Gen Z is **27%** less likely to use store flyers and brochures

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



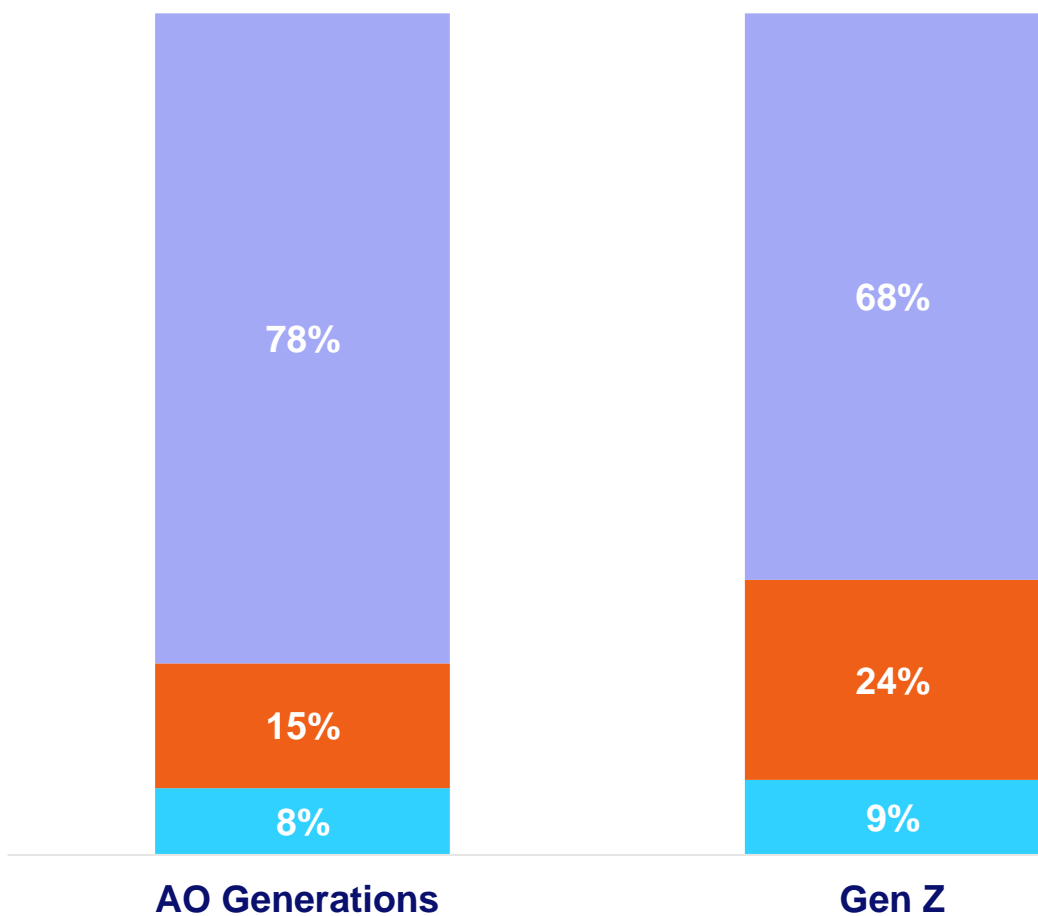
Source: NielsenIQ Omnishopper Fundamentals; Spring 2024

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

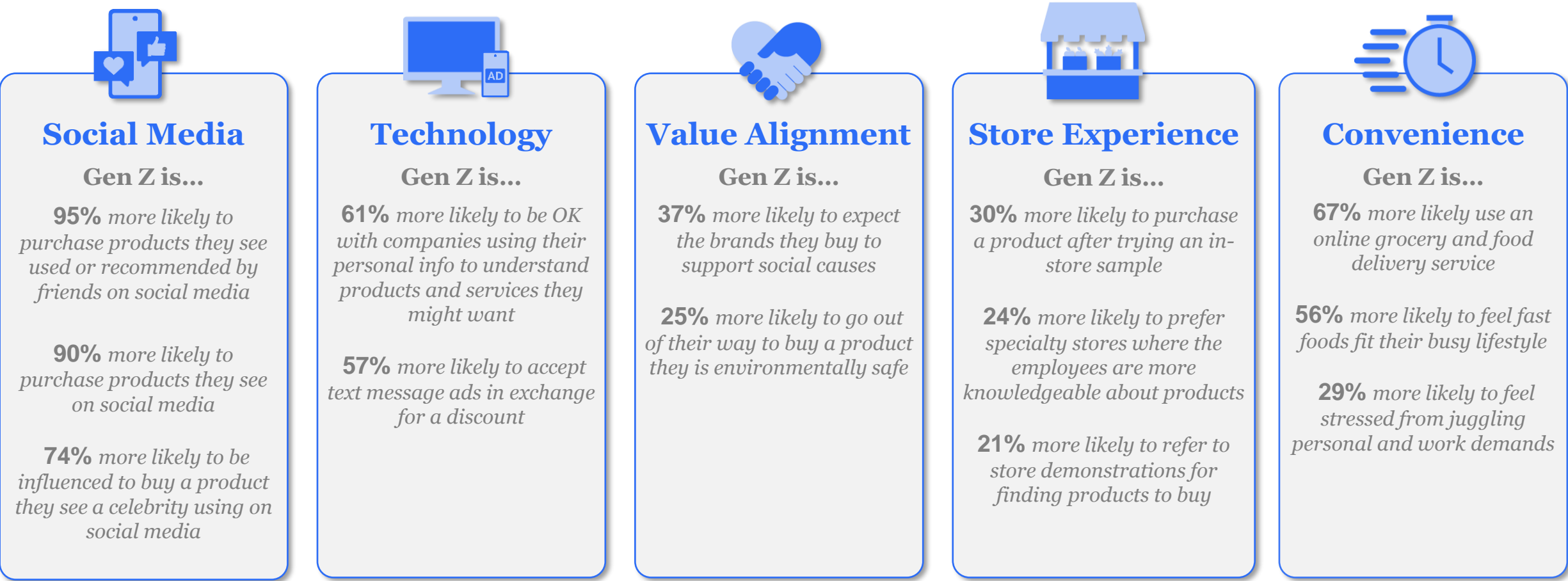
- Gen Z is **19%** less likely to prepare a grocery list
- Gen Z is **14%** less likely to decide what they want pre shop
- Gen Z is **47%** more likely to make an impulse purchase
- Gen Z is **21%** more likely to buy an item in spur of moment

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...



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

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

Aldi

Aldi USA
@aldiusa
31 Following 319.4K Followers 2.2M Likes
Follow Message
Cool AF (ALDI Finds) and more. It's an ALDIThing.
@ALDIus and 1 more

Trader Joes

traderjoes 527.3K posts

trader joes fettuccine alfredo

Global Last 7 days

Search popularity 302K

Age

Age	Popularity
13-18	0%
18-25	40%
25-35	20%
35-45	20%

Aldi

aldi 365.1K posts

Easy aldi meals

Global Last 6 months

Search popularity 607K

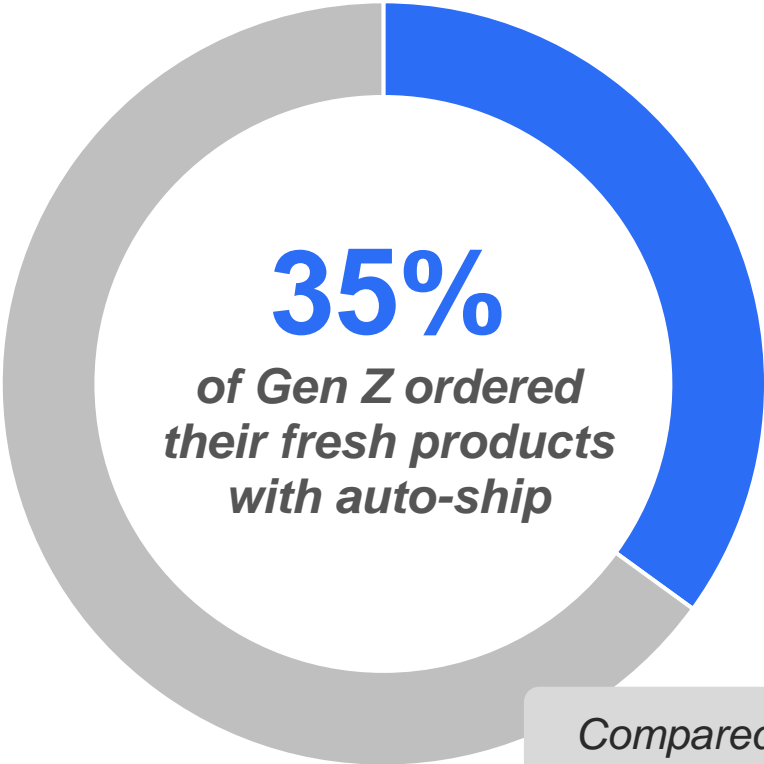
age

Age	Popularity
13-18	0%
18-25	56%
25-35	22%
35-45	22%

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



Compared to 24% of all other generations



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 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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