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Grocery Sentiment Index

Resilient shoppers tune out tariff noise

Speakers

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What shoppers ***say***

VS

What they ***do***

Study parameters

64mn
households

627mn
transactions

6B
units

Time window
2022 – Q1 2025

Traditional grocery retailers
USA
Europe & Asia

Grocery Sentiment Index

Customer-first insights leveraging loyalty card data

Real purchase behavior of 64 million households

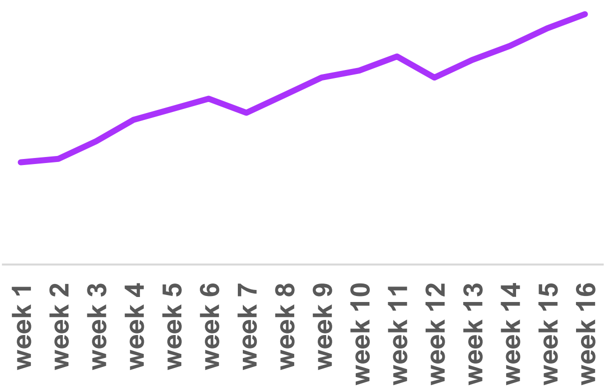
Proprietary research methodology powered by SymphonyAI **predictive AI models**

- ✓ Emerging trends
- ✓ Top sales drivers
- ✓ Prediction for next quarter
- ✓ Key factors influencing future retail performance

Methodology

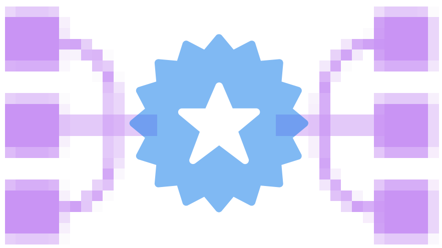
Customer-first Insights

Leverage customer purchasing behavior and loyalty trends to create a measure of customer sentiment



AI-Powered Prediction

AI model generates the customer sentiment score and predicts its trajectory for the upcoming quarter



Actionable Insights

The score reflects the **performance** from the last 16-weeks against historical benchmarks, providing actionable insights at global, regional and category levels as well as the **prediction of customer purchase volume for the upcoming quarter**

GSI splits shopper sentiment into five ranges

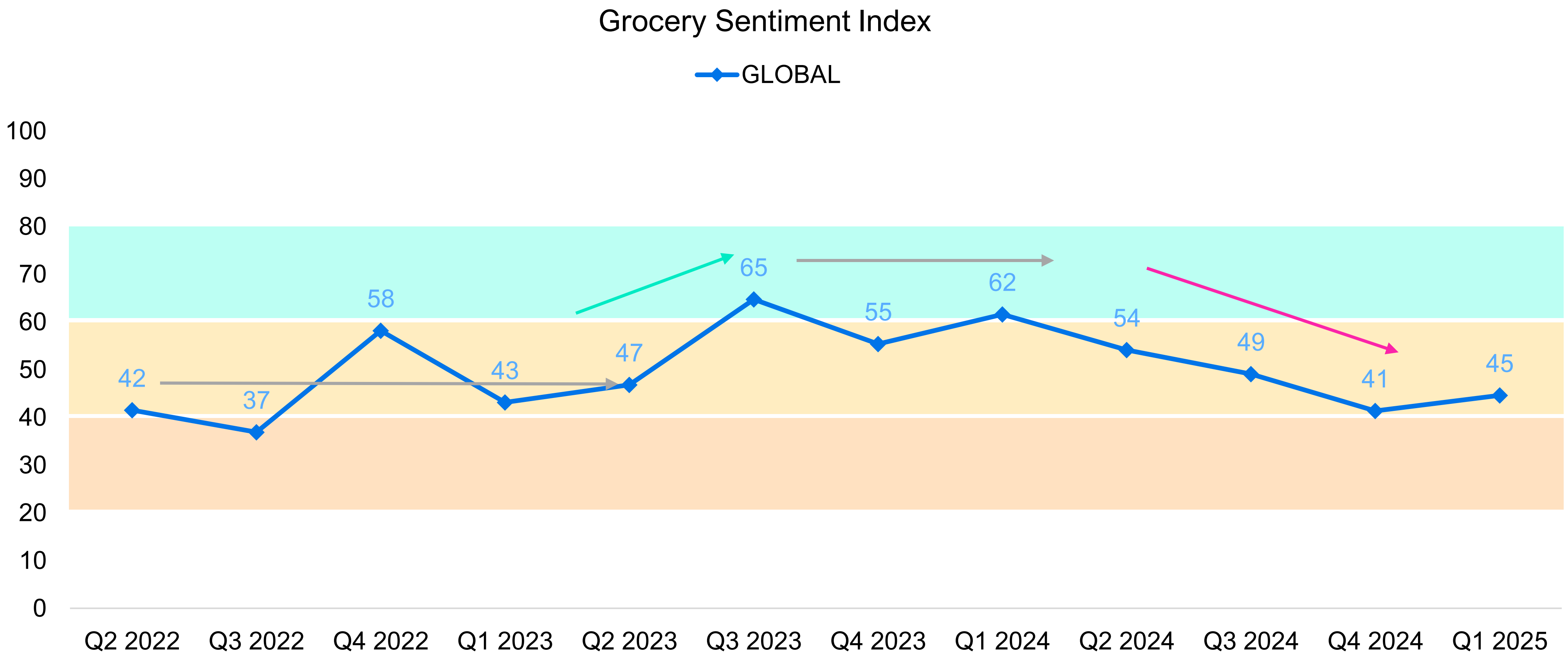
Grocery Sentiment Index

Very Poor	Poor	Neutral	Good	Very Good
0 to 20	20 to 40	40 to 60	60 to 80	80 to 100

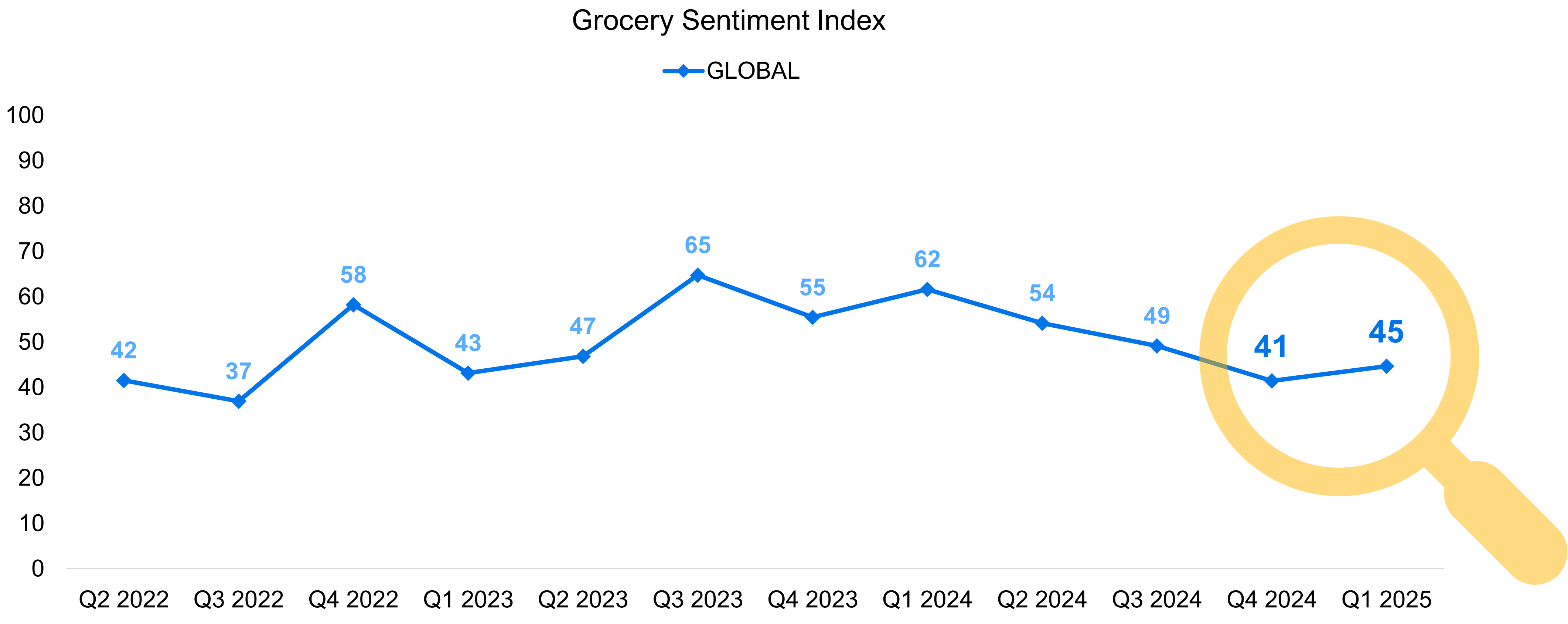
Grocery Sentiment Index reveals divergent trends: Europe & Asia vs. United States

The Global GSI has declined over the past year driven by a decrease in shopping visits

After being held back by inflation in 22’ and 23’, increased customer loyalty drove improvement into early 24’

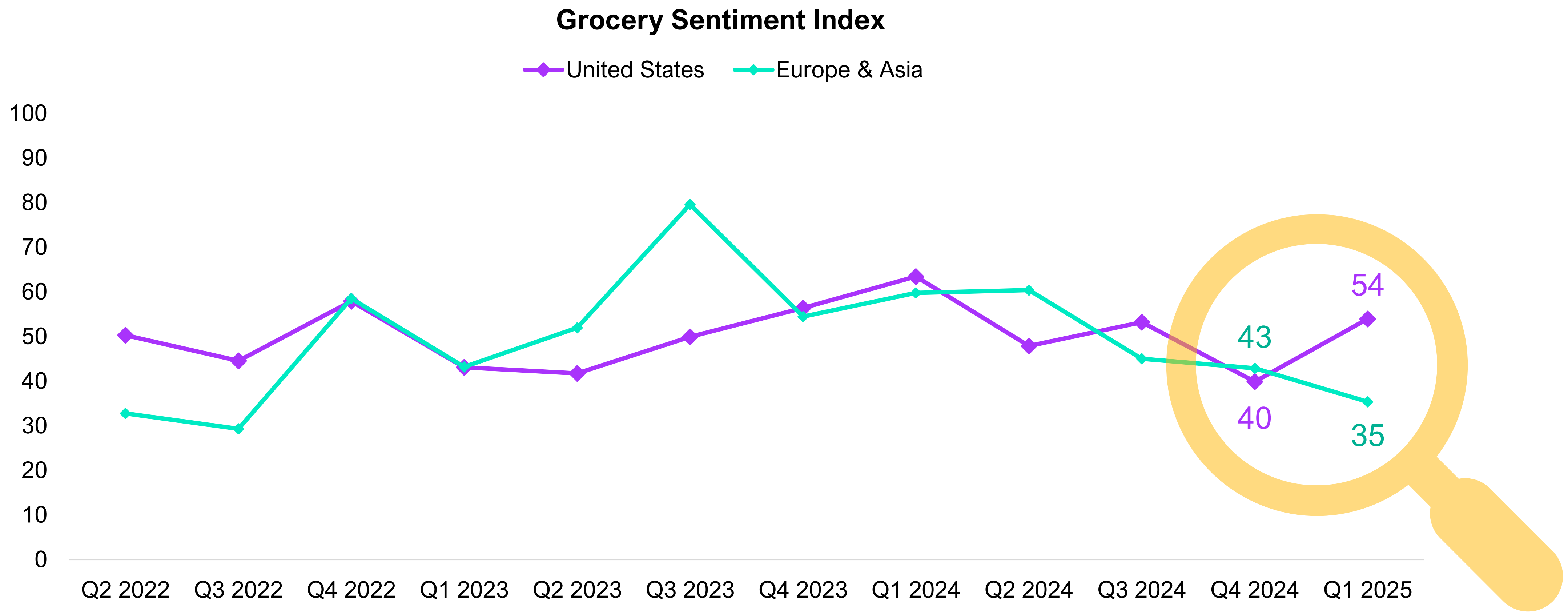


The Global GSI in Q1 2025 score of 45 indicates neutral customer sentiment, but has a slight increase from the previous quarter



The GSI for United States and Europe & Asia have diverged in Q1, moving in opposite directions

Europe & Asia has fallen into the Poor range, while the US moves to the top end of Neutral



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A rise in average item prices pushed down the Europe & Asia Grocery Sentiment Index to 35

35 ⬇

POOR

BEHAVIORAL DRIVERS

Grocery Sentiment Index in Europe and Asia, steadily declined to 35 in Q1 2025.

This trend is driven by the increase of the average item price driving declines in units purchased especially from loyal customers.

DRIVER AND DRAGGER CATEGORIES

DRIVERS

- MILK
- FRUIT & VEGETABLE
- FROZEN FOOD
- BEVERAGE
- BAKING INGREDIENTS

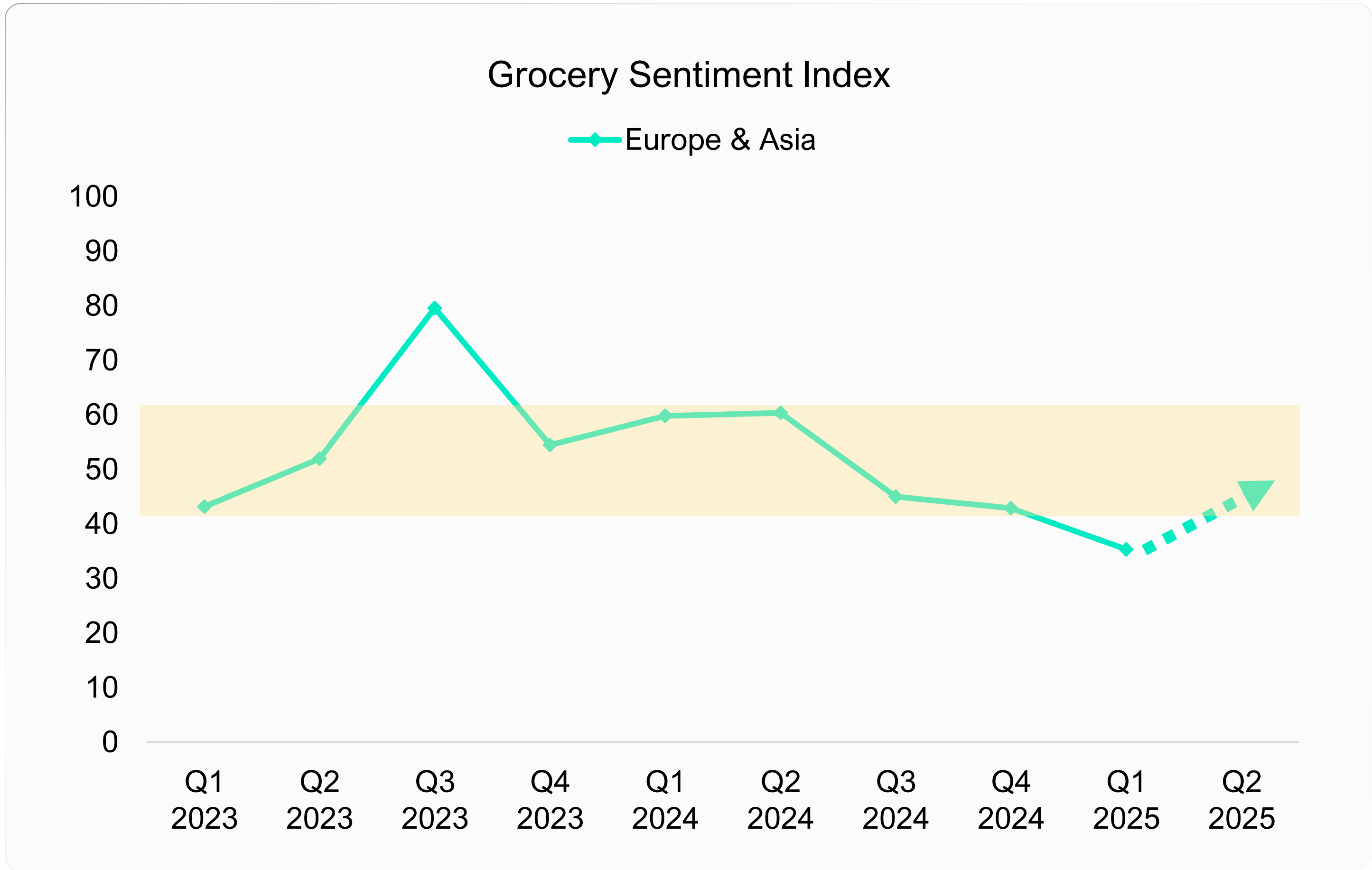
DRAGGERS

- SNACK
- GRAINS, BEANS & NUTS
- BAKERY
- CONFECTIONERY
- HEALTH & BEAUTY CARE

AI predicts recovery into the neutral range for Europe &Asia, with stabilized purchase volumes in Q2 2025

Despite a poor Q1 2025 Grocery Sentiment Index, AI predictions indicate an **improvement to neutral,** with a **recovery in traffic and customer engagement**

AI PREDICTIVE TREND IN THE UPCOMING QUARTER



The United States GSI climbed to 54, a positive change from previous quarter, due to increased store traffic

Protein categories and Frozen Food lead positive drivers, while Fruits & Veg (fresh and frozen) cause a drag

54 ↑

NEUTRAL

BEHAVIORAL DRIVERS

The positive Q1 2025 U.S. Grocery Sentiment Index trend was driven by higher store traffic, more loyal customers, and velocity of key item purchases.

DRIVER AND DRAGGER CATEGORIES

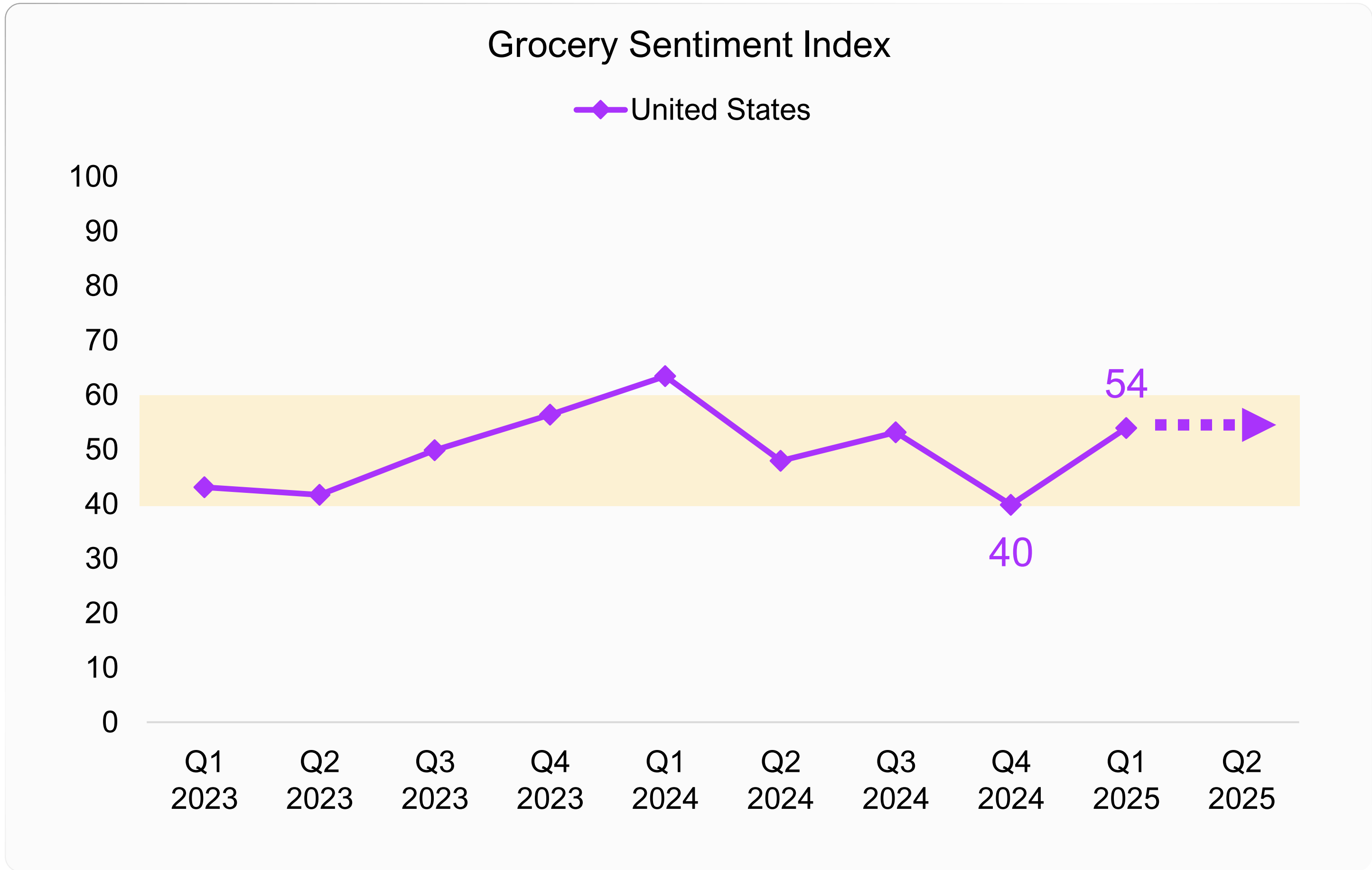
DRIVERS	DRAGGERS
FISH & SEAFOOD	CANNED PRODUCTS
FROZEN FOOD	FRUIT & VEGETABLE
COFFEE, TEA & COCOA	BAKING INGREDIENT
MEAT & POULTRY	FROZEN FRUITS & VEGETABLES
BEVERAGE	ALCOHOL

The United States Grocery Sentiment Index is expected to remain stable in Q2 2025

Stability in Q2 sentiment will drive a continuation to the overall volume trends seen in Q1

AI PREDICTIVE TREND IN THE UPCOMING QUARTER

Predictive models indicate the U.S. Grocery Sentiment Index will **maintain its neutral position**, providing a consistent total purchase volume to current trends



Key takeaways

What consumers ***say*** and what they ***do*** are not always aligned, making true behavioral insights so valuable

Europe & Asia

- GSI falls into the Poor range, **dropping from 43 to 35**, but is predicted to **slightly rebound in Q2**
- Increases to **Average Price** contribute to declining sentiment, especially with **loyal customers**
- **Snacks, Grains / Beans / Nuts, Bakery, Confectionery and Health & Beauty** categories should be monitored to ensure cost and price do not continue to hold back customer sentiment

United States

- GSI **climbed from 40 to 54**, into the top of the Neutral range and is **predicted to hold into Q2**
- Increases to **store traffic and key item purchases** with loyal customers fueling sentiment
- **Protein categories** (Meat & Poultry and Seafood) should be maintained to drive sentiment while **Fruits & Veg** (fresh and frozen) require attention to improve

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Thank you

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