WHY CONSUMERS CHOOSE LOCAL

2030 Maine Foods Subgroup

February 28th, 2024

WHY LOCAL

For Consumers,

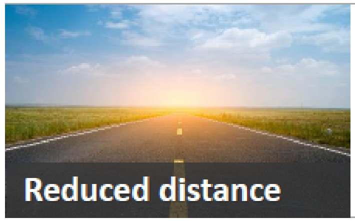
it's about more than just distance.

LOCAL

Consumers motivated to buy local are looking for more than something that came from nearby

Consumers continue to idealize eating locally. However, the word "local" is actually a misnomer, as it speaks to a number of things consumers value, of which literal distance/travel time is only one. As such, being *truly* close by is not always necessary to speak to "local" values.

Dimensions of buying local consumers appreciate



Fresher due to reduced transport time

A smaller carbon footprint

Better value due to fewer steps to market

39%

report buying more Local products

Supporting a person or company who has a story, with whom you share a sense of community

Not buying from people or places whose practices are suspect

I find value in some mom or pop growing something in their backyard and delivering it to me. There is a trust.

- Periphery, Millennial, Female

Smaller-scale, sustainable growing practices; less industrial production

Eating according to the seasons

Eating food better-suited to your body — in sync with where you live (Core consumers)

I tend not to eat things from the other side of the world. I think it is fun to eat by season.

- Core, Millennial, Male

Organic & Natural 2018. Q18. Compared to a year ago, would you say you are purchasing more of, less of or about the same of Local products?
5pt. Scale - Top 2 box (Buying much more of/Buying more of). Base: Total Sample (n=2,257).

SUSTAINABILITY

What does sustainability mean to consumers?

1. Determine customer familiarity with the term "sustainability"
2. Understand how customers define sustainability, both in general and as it relates to grocery stores.

Key Insights

Sustainability appears to be a well-known and respected term. Many customers state this is very to somewhat important to them, with many taking steps to live more sustainably.

Customers had a wide range of sustainability definitions, with many focusing on the actions that make up sustainability like recycling, local, and environment impacts. These all made up the underlying definition of sustainability: **being conscious of and reducing our impact on the environment today, so that we can ensure the future (of our planet, environment, society, and human race).**

With grocery stores, customers are focused on the actions of stores when they define sustainability for them. This includes limiting waste, plastic, packaging and increasing local products.

More….

- ✓ Local products
- ✓ Compost/recycle
- ✓ Natural/organic foods
- ✓ Encouraging reusable bags
- ✓ More energy efficient store buildings
- ✓ Partnerships with eco-friendly companies

Less….

- × Packaging
- × Plastic (single-use bags)
- × Waste
- × Processed foods

MOST OFTEN PURCHASED LOCAL

1

Though fresh vegetables, fresh fruit and dairy items continue to be the top categories for local, household products and frozen items have become more popular, indicating that customers now purchase a wider variety of local categories.

P6M Incidence of Local Categories Purchased | By State

Among Respondents in Each State

RANKING BY STATE

	Total (n=1005)	New York (n=256)	Vermont (n=96)	New Hampshire (n=211)	Massachusetts (n=91)	Maine (n=351)
Average Incidence	*29%*	*28%*	*29%*	*30%*	*37%*	*27%*
Fresh vegetables	74%	1	1	1	1	1
Fresh fruit	65%	2	2	2	1	2
Dairy items	59%	3	3	3	3	3
Fresh bakery items	46%	4	6	5	4	4
Fresh meat	44%	5	7	4	5	5
Breakfast items	34%	7	4	6	8	8
Packaged bread items	34%	6	5	8	7	7
Fresh seafood	34%	12	10	6	6	6
Deli items	25% + 6%	8	8	9	10	9
Beverages – Alcoholic Beverages	23%	9	8	13	16 2017 Rank: 10	10
Freshly cut fruits	21%	12	11	10	15 2017 Rank: 8	11
Beverages - Non-Alcoholic	21%	11	13	10	16	12
Frozen food items	20% + 6%	10	12	12	9	14
Canned and Packaged Goods	18%	14	16	15	13	13
Health and personal care items	17% + 6%	14	14	15	11	16
Laundry and cleaning products	16% + 7%	16	14	13	12	18
Paper products	16% + 7%	16	18	17	13	15
Fresh prepared meals	13%	18	20	18	18	17
Pet products	12%	19	16	18	19	19
Fresh squeezed juices	10%	20	19	18	20	20
Baby products	2%	21	21	21	21	21

As in 2017, seafood continues to be a higher priority local item in NH, MA, and ME.

MOST IMPORTANT BY STATE, FRESH

New York (n=253)	2020 RANK	2017 RANK	Vermont (n=92)	2020 RANK	2017 RANK	New Hampshire (n=207)	2020 RANK	2017 RANK	Massachusetts (n=89)	2020 RANK	2017 RANK	Maine (n=347)	2020 RANK	2017 RANK
Fresh Produce	1	1	Fresh Produce	1	1	Fresh Produce	1	1	Fresh Produce	1	1	Fresh Produce	1	1
Chicken	2	2	Chicken	2	2	Seafood items	2	2	Seafood items	2	3	Seafood items	2	2
Ground Beef	3	5	Beef (cuts of)	3	3	Chicken	3	3	Chicken	3	2	Chicken	3	3
Beef (cuts of)	4	3	Ground Beef	4	4	Beef (cuts of)	4	4	Beef (cuts of)	4	4	Beef (cuts of)	4	4
Bread/Bagels/ Rolls	5	4	Seafood items	5	8	Ground Beef	5	5	Ground Beef	5	5	Ground Beef	5	5
Seafood items	6	6	Bread/Bagels/Rolls	6	7	Turkey	6	7	Bread/Bagels/ Rolls	6	7	Bread/Bagels/Rolls	6	6
Turkey	7	7	Turkey	7	5	Bread/Bagels/Rolls	7	6	Turkey	7	6	Turkey	7	7
Breakfast Pastries, Muffins, Donuts	8	8	Fine Cheese	8	6	Sausage/Bacon	8	N/A	Home Meal Solutions	8	9	Breakfast Pastries, Muffins, Donuts	8	9
Sausage/Bacon	9	N/A	Sausage/Bacon	9	N/A	Deli Meats and Cheeses	9	9	Breakfast Pastries, Muffins, Donuts	9	10	Sausage/Bacon	9	N/A
Deli Slicing/Sandwich Meats and Cheese	10	11	Deli Slicing/Sandwich Meats and Cheese	10	9	Game Meats	10	14	Deli Slicing/Sandwich Meats and Cheese	10	8	Deli Slicing/Sandwich Meats and Cheese	10	10

MOST IMPORTANT BY STATE, CENTER

New York (n=248)	2020 RANK	2017 RANK
Eggs	1	1
Milk	2	2
Maple Syrup	3	3
Honey	4	4
Butter	5	5
Cream	6	8
Yogurt	7	7
Ice Cream	8	6
Jam or Jelly	9	9
Nut butters	10	11

Vermont (n=95)	2020 RANK	2017 RANK
Eggs	1	1
Maple Syrup	2	3
Milk	3	2
Honey	4	4
Butter	5	5
Cream	6	7
Yogurt	7	6
Ice Cream	8	8
Jam or Jelly	9	9
Jerky	10	12

New Hampshire (n=207)	2020 RANK	2017 RANK
Eggs	1	1
Milk	2	2
Maple Syrup	3	3
Honey	4	4
Butter	5	5
Cream	6	6
Yogurt	7	8
Ice Cream	8	7
Jam or Jelly	9	9
Nut butters	10	11

Massachusetts (n=89)	2020 RANK	2017 RANK
Eggs	1	1
Milk	2	2
Maple Syrup	3	3
Butter	4	4
Cream	5	7
Honey	6	5
Ice Cream	7	6
Yogurt	8	8
Jam or Jelly	9	9
Coffee	10	10

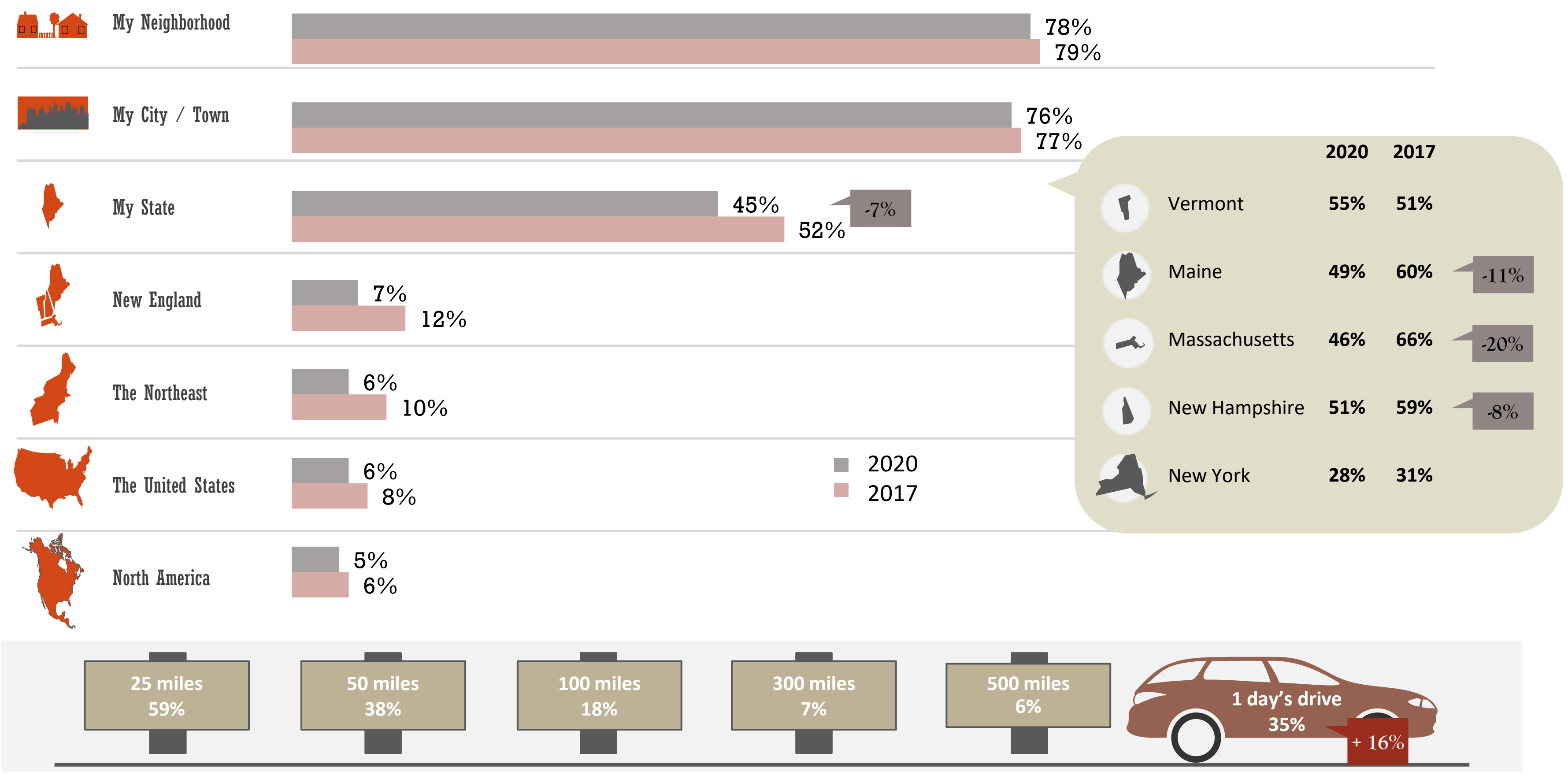
Maine (n=347)	2020 RANK	2017 RANK
Eggs	1	1
Milk	2	2
Maple Syrup	3	3
Butter	4	4
Honey	5	5
Cream	6	6
Ice Cream	7	7
Yogurt	8	8
Jam or Jelly	9	9
Jerky	10	14

PERCEPTIONS OF WHAT CONSTITUTES LOCAL

"MY STATE" MARKS THE CUTOFF WHERE RESPONDENTS NO LONGER **BROADLY** IDENTIFY A FRESH PRODUCT AS LOCAL.

Degree Of Localness By Proximity: Fresh | T2B

Among Total (n=1005)



A1a. Please indicate the degree to which you would consider **a fresh grocery product** (e.g., fresh fruits and vegetables, fresh meat and poultry, freshly baked bread, fresh salsa, etc.) to be local if it were produced, grown or manufactured. Tested on 10 pt. scale (1 – Not at all Local to 10 – Completely Local). Data shown is Top 2 Box response.
State base sizes: New York (n=256), Vermont (n=96), New Hampshire (n=211), Massachusetts (n=91), Maine (n=351)

CONSUMER DEFINITION OF LOCAL

Acceptance of out of state local items by state

Degree of Localness of Each State as Rated by Shoppers Not Living in Said State*

Degree of Localness of Each State as Rated by Customers from Every Other State (Bases Vary)

DEGREE OF LOCALNESS FOR EACH STATE	STATE OF RESIDENCE: New York	Vermont	New Hampshire	Massachusetts	Maine
New York		12% + 11%	4%	10%	2%
Vermont	5%		13%	16%	5%
New Hampshire	4%	16% + 9%		20%	11%
Massa-chusetts	4%	6%	15%		5%
Maine	3%	6%	21%	17%	

LOCAL DRIVERS

Importance of Local Drivers | By Total

Base: Total

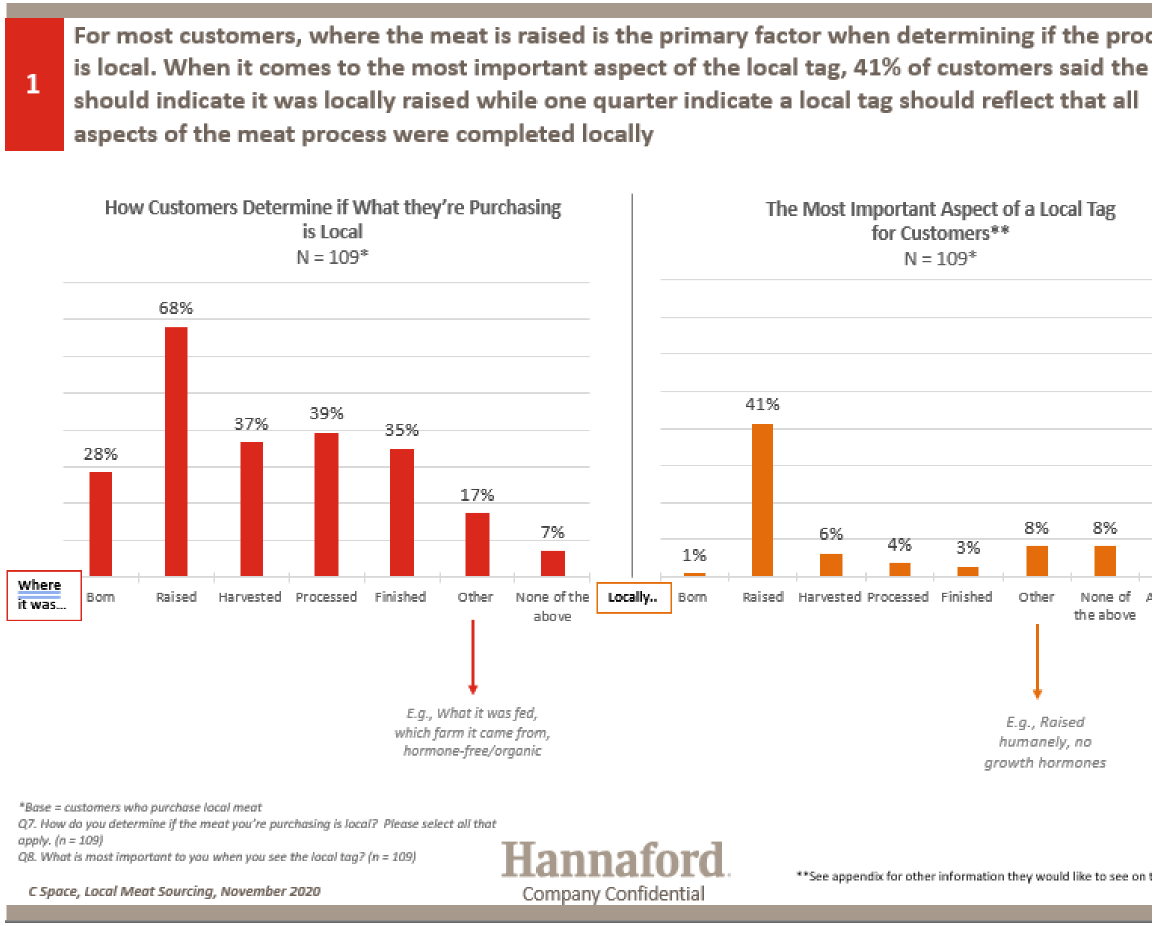
MORE IMPORTANT

LESS IMPORTANT

	2020 Ranking	2017 Ranking
ᵎ Carries local items that you care about	1	N/A
Offers good local selection for every season	2	2
Offers local products in a wide variety of categories	3	5
Has local products that maintain their freshness	4	1
Offers a wide variety of local products in the fresh departments (produce, meat, bakery, deli, seafood)	5	3
Makes it easy to find local products in the store	6	7
Has lots of local product options within the categories where it offers local products	7	4
Has signage that makes it easy to identify local products in the store	8	11
Has great pricing on local products	9	6
ᵎ Is reliable in accurately labeling products as local	10	N/A
Highlights support for local farmers, producers and suppliers	11	9
ᵎ Defines local in a way that resonates with you	12	N/A
Offers a wide variety of local products in the center aisles of the store	13	10
Different from other stores in how much it truly supports the values it promotes	14	14
Features local items in each department or aisle throughout the store	15	13
Organizes local products together in each department or aisle of the store	16	12
Gives information about who grew, manufactured or produced its local products	17	15
Highlights support for local community programs/schools	18	19
Provides additional information about the local products it offers	19	8
Educates customers on the benefits of buying local products	20	17
Provides information about the number of local farmers, producers and suppliers represented in the store	21	16
Provides information about the number of local products carried in the store	22	18

E2. Please indicate how much you agree or disagree that each of the following statements describes {INSERT STORE} overall.

ᵎ Drivers added in 2020



CONSUMER DEFINITION OF LOCAL MEAT

Where an animal was raised and likely spent the majority of its life is most important

OTHER ATTRIBUTES SOUGHT

SPOTLIGHT ON ANIMAL PRODUCTS

Consumers seek out safer food by avoiding the worst of their imagined "industrial farming"

Consumers are increasingly seeing animal products *in context*, as the product of everything that happened to the animal in its lifetime. This reflects the more holistic notions of health that consumers hold in relation to their own well-being. The extent to which animals are raised in a "natural" way is increasingly seen not simply as an *animal*-welfare issue but a food-quality and *human*-welfare issue.

Markers of "unnatural" animal products: consumer beliefs

Antibiotics and hormones:

These serve to make animals grow unnaturally fast. They are designed to change how the animal's body works, and they remain in the meat/dairy products that come from them.

Unsuitable foods

Animals should eat what they would naturally eat in the wild to be optimally healthy and, thus, more nutritious to eat.

Confinement

Animals that cannot move cannot exercise. This can be good neither for their health nor for products derived from them.

Stress

Animals' stress, associated with all of the above, likely manifests in their meat, eggs, and milk.

What's important when shopping?

42% antibiotic free (+4 pts)

41% humane treatment of animals

40% hormone-free

Grow faster, kill faster, sell faster.
They are not in the business to keep people healthy.

- Inner ML, Gen X, Female

I believe that those animals that are treated ethically, without hormones and GMOs, are ethically better, and they taste better.

- Inner ML, Gen X, Female

rganic & Natural 2018. Q1. When selecting food or beverage products to purchase, how important are the following labels or phrases to you? Top 2 Box, 7 Pt Scale.
ase: Sample age-adjusted for trend Total 2016 (n=2,274); Total 2018 (n=2,216).

- ✓ All Natural – no antibiotics or hormones
- ✓ Humane Treatment

How animals are raised correlates to the quality of the food for human welfare.

Hartman Group: Organic & Natural Report 2018

APPENDIX

2.28.2024

Sustainability Survey Participants (2021) (source: Hannaford Insights Aisle community)

221 Participants

Gender

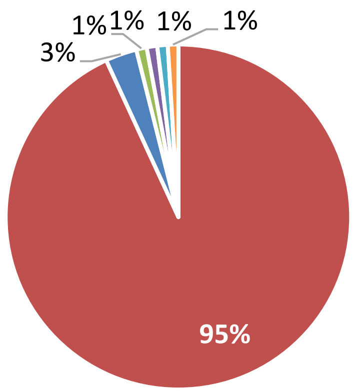
78% Female

22% Male

Employment Status During COVID-19

25%	Retired
22%	Working from home due to COVID-19
16%	Considered essential and still working outside the home
11%	Unemployed due to COVID-19
9%	Working from home and typically do
6%	Unemployed prior to COVID-19
11%	*Not tagged*

Ethnicity

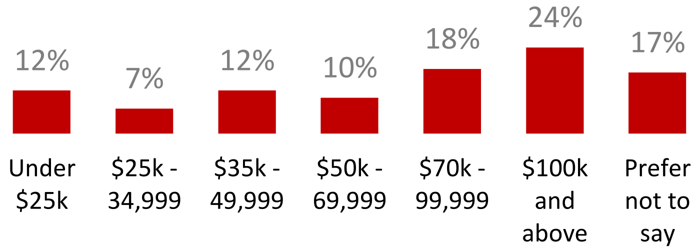


- White/Caucasian
- Asian/Pacific Islander
- Hispanic
- Native American/Alaska Native
- Other
- Prefer not to say

Generation

	Generation	Birth Years
6%	Silent	1927-1945
40%	Baby Boomer	1946-1964
30%	Gen X	1965-1980
24%	Millennial	1981-2000

Income



State

%	Maine
%	New York
%	Vermont
%	New Hampshire
%	Massachusetts

C Space, Sustainability Definition

Hannaford

Meat Sourcing Survey Participants 2020
(source: Hannaford Insights Aisle Community)

Gender

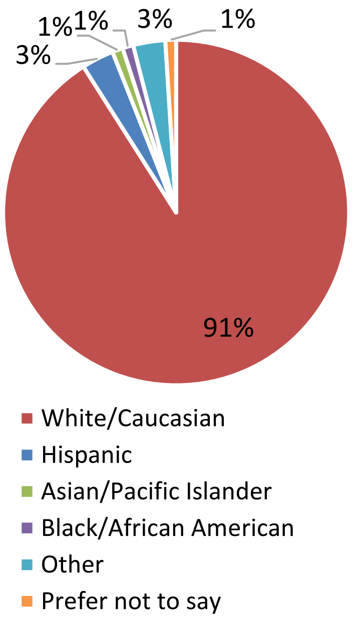
78% Female

22% Male

Employment Status During COVID-19

22%	Working from home due to COVID-19
24%	Retired
16%	Considered essential and still working outside the home
12%	Unemployed due to COVID-19
7%	Working from home and typically do
7%	Unemployed prior to COVID-19
11%	Not tagged

Ethnicity

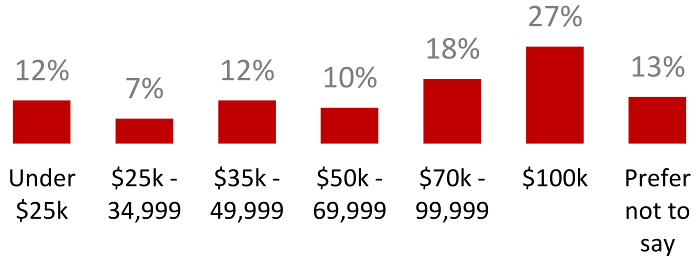


217 Members

Generation

	Generation	Birth Years
5%	Silent	1927-1945
39%	Baby Boomer	1946-1964
31%	Gen X	1965-1980
24%	Millennial	1981-2000

Income



State

31%	Maine
23%	New York
16%	New Hampshire
13%	Massachusetts
17%	Vermont

Hannaford

C Space, Local Meat Sourcing, November 2020

Survey Participants (2020) Info for slides 4-9

Demographics

Base: Total (n=1005)

Gender

34% Male

66% Female

Ethnicity

93% Caucasian/white

1% African-American

3% Hispanic

3% Other

Generation

3% Gen Z

22% Millennials

30% Gen X

41% Baby Boomers

5% Mature/ Silent

Marital Status

62% Married

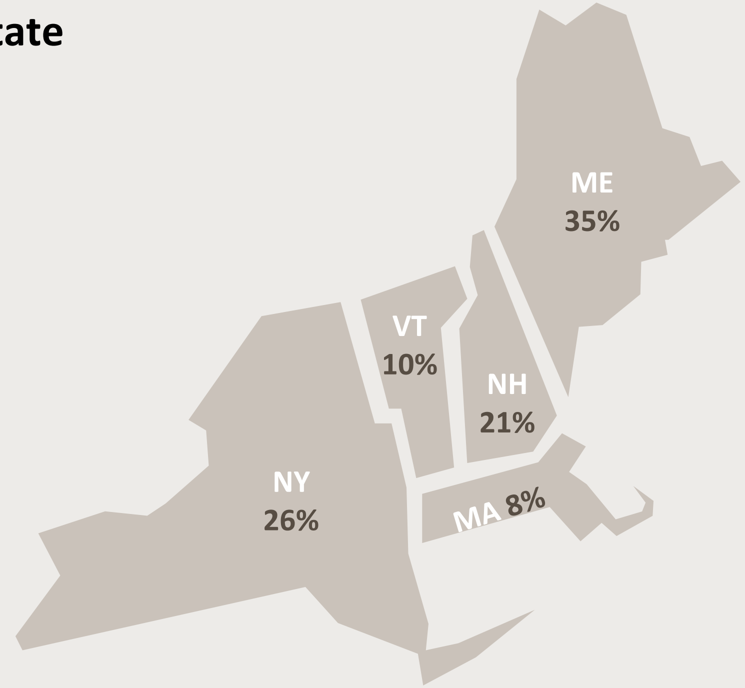
Urbanicity

11% Urban

44% Suburban

45% Rural

State



Average HH Size

2.4

Income

23% <$35,000

16% $35,000-$49,999

22% $50,000-$74,999

34% $75,000+

5% Prefer Not to Say

S1. Please select your gender.
S2. In what year were you born?
S3. What is your 5-digit zip code?

Z1. Which of the following best indicates your total annual household income for the past 12 months, before taxes?
Z4. Which of the following best describes your marital status?

Z7. Which of the following categories describes your race?
Z8. Which of the following best describes the area you live in?
F1. Including yourself, how many people do you buy groceries for?

Survey Info for slides 4-9

Methodology

DATA COLLECTION APPROACH

- Online, self-administered ~20 -minute survey among n=1005 qualified respondents, recruited via traditional online panels – providing a total footprint view.

Data Collection Dates:

- Feb 7th, 2020 – Feb 24th, 2020.

QUOTAS

Hannaford Region

- Maine 25%
- New York 26%
- New Hampshire 21%
- Vermont 10%
- Massachusetts 8%

NOTE: Mild weighting was applied to ensure final data are representative of Hannaford footprint

QUALIFICATIONS

- Ages 18+
- Identifies as the primary or shared household grocery shopper
- No sensitive industry
- Lives in Hannaford Trade area
- Over 10% of overall shopping for food, groceries and household items is done at Hannaford
- Non-rejecter of local (does not say "I will never seek them out")