# H-E-B Climbs to the Top of the Heap

*WGB* and BrandSpark reunite for the third year to examine which retailers' reputations are A-number-one in the hearts and minds of American grocery shoppers.

BY MEG MAJOR 🍎 ILLUSTRATION BY CHRIS LABROOY

The highest amount of visitors in the past six months selected **H-E-B** as their most trusted grocery retailer, followed by Kroger and Publix.

**START SPREADING THE NEWS:** H-E-B is hereby crowned America's Most Trusted Food Retailer, according to the results of *Winsight Grocery Business'* third annual benchmark study of the nation's intriguing and indispensable grocery sector. The declaration of the 400-store San Antonio-based retailer's standing as the king of the hill underscores a designation that its legions of customers in the Lone Star State will readily attest: H-E-B is A-number-one. Read on for more insights on which retailers are playing a part in the heart of the nation's grocery shoppers.

# Most Trusted

*W*insight Grocery Business' 2019 Most Trusted Food Retailer market study, conducted in conjunction with Toronto-based BrandSpark International in September, found that H-E-B had the highest number of respondents citing it as their most trusted grocery retailer, based on its own shoppers' scores of its overall value and quality on one side and specialty and supplementary stock-up destinations on the other. The retailer, whose rating increased 3 percentage points from 2018 to reach 59%, also emerged at the top of the heap in five other key survey categories in the third annual research.
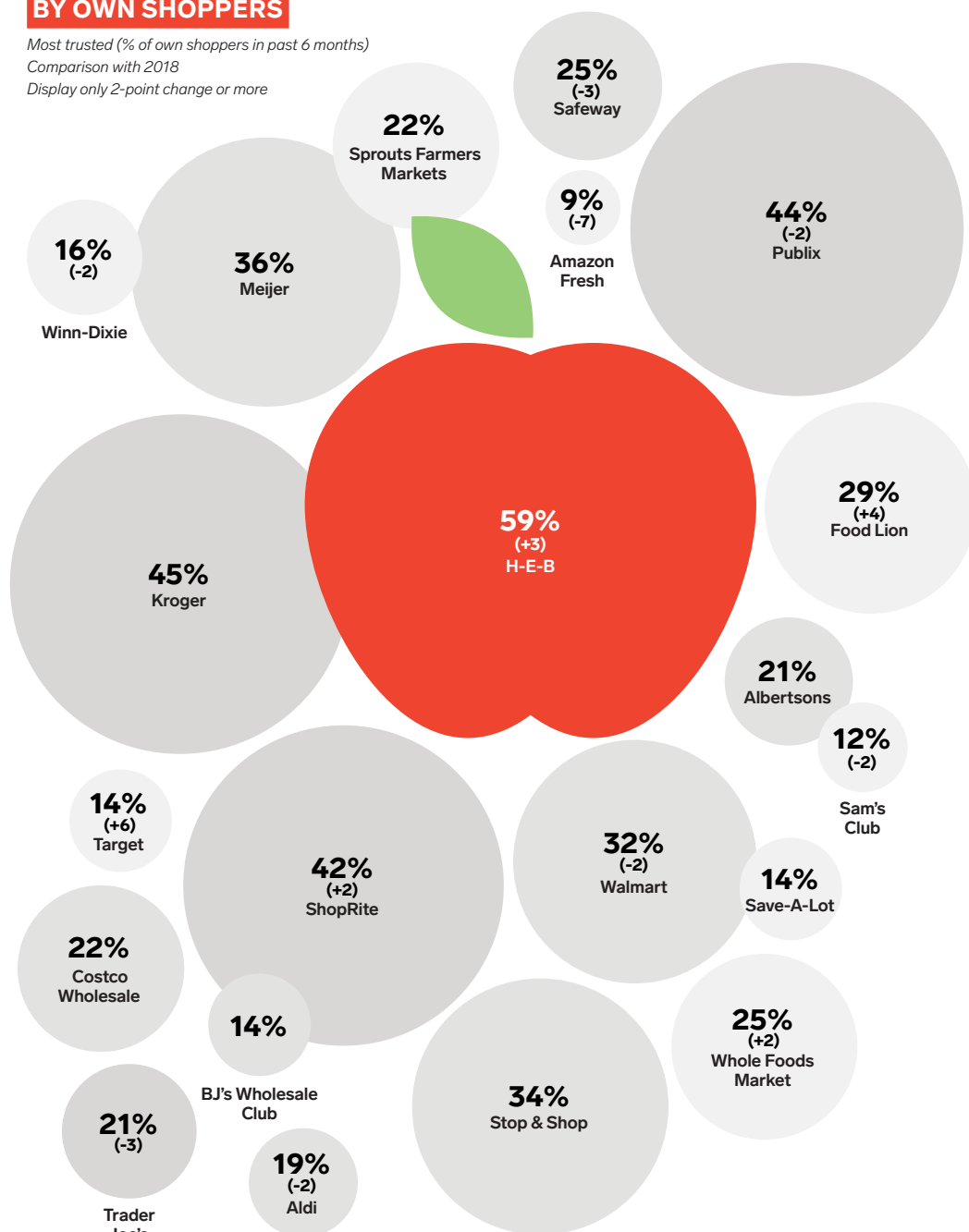
Pacing H-E-B as the overall Most Trusted grocer in 2019 are Kroger (45%); Publix (44%), which fell 2 percentage points from 2018; and ShopRite (42%), which moved up 2 percentage points. This aptly reflects the loyalty these stalwart grocery retailers and the 17 other banners (depicted on the adjacent chart) have engendered for the duration.

Largely attributable to its 4,700 U.S. stores located within 10 miles of 90% of the American public, Walmart captured the glory this year as the most widely shopped food retailer among two-thirds (69%) of its self-proclaimed regular shoppers. Bentonville, Ark.-based Walmart further expanded its market penetration by 5% during 2019. It reclaimed strong sales momentum in the U.S. by harnessing its vast resources to support an ever-expanding array of technology advances that are winning share of convenience-minded shoppers attracted to its online grocery offering, while supporting its traditional focus on costs with new in-store efficiencies.

Overall, there were subtle changes in market penetration (see chart Page 27) for most grocery stores except Walmart
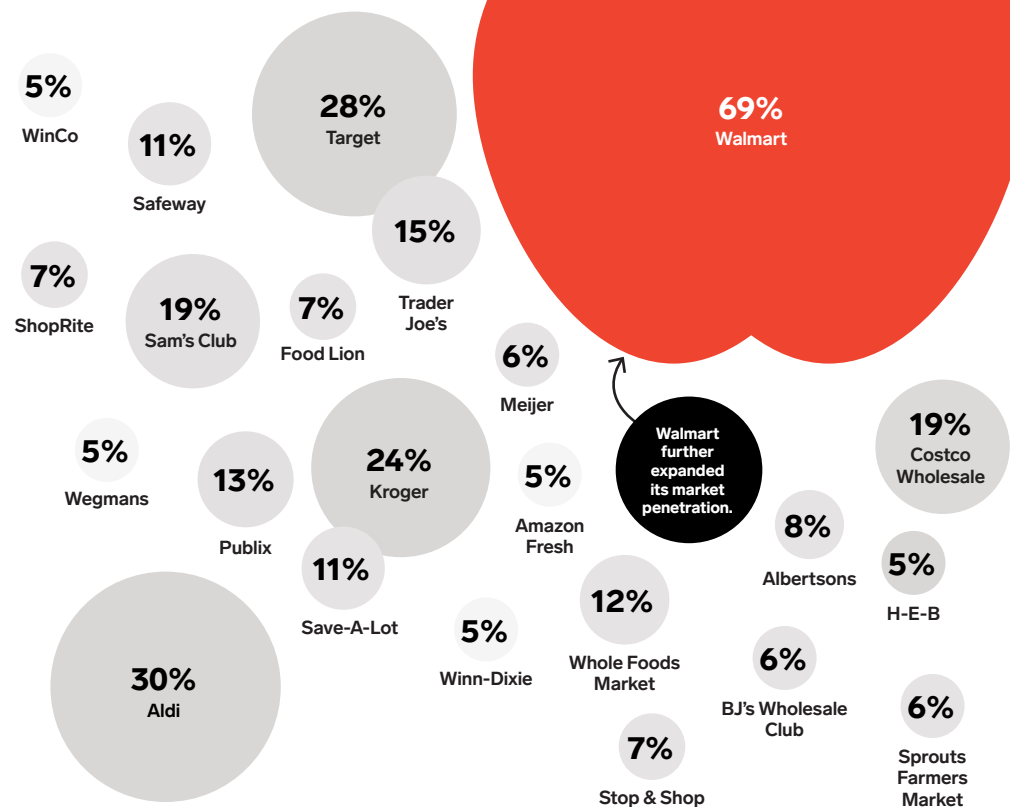
## MOST TRUSTED FOR GROCERY BY OWN SHOPPERS

*Most trusted (% of own shoppers in past 6 months)*
*Comparison with 2018*
*Display only 2-point change or more*

- 25% (-3) Safeway
- 22% Sprouts Farmers Markets
- 9% (-7) Amazon Fresh
- 44% (-2) Publix
- 16% (-2) Winn-Dixie
- 36% Meijer
- 59% (+3) H-E-B
- 29% (+4) Food Lion
- 45% Kroger
- 21% Albertsons
- 12% (-2) Sam's Club
- 14% (+6) Target
- 42% (+2) ShopRite
- 32% (-2) Walmart
- 14% Save-A-Lot
- 22% Costco Wholesale
- 14% BJ's Wholesale Club
- 34% Stop & Shop
- 25% (+2) Whole Foods Market
- 21% (-3) Trader Joe's
- 19% (-2) Aldi

## SHOPPER PENETRATION

*Shopped in past 6 months*

- 5% WinCo
- 11% Safeway
- 28% Target
- 69% Walmart
- 7% ShopRite
- 19% Sam's Club
- 7% Food Lion
- 15% Trader Joe's
- 5% Wegmans
- 13% Publix
- 24% Kroger
- 6% Meijer
- 19% Costco Wholesale
- 11% Save-A-Lot
- 5% Amazon Fresh
- 8% Albertsons
- 5% H-E-B
- 30% Aldi
- 5% Winn-Dixie
- 12% Whole Foods Market
- 6% BJ's Wholesale Club
- 5% Sprouts Farmers Market
- 7% Stop & Shop
- 6% Sprouts Farmers Market

**Walmart further expanded its market penetration.**

and runner-up Aldi, which gained 3 percentage points from 2018 amid a year that found the Batavia, Ill.-based discounter gaining clout as a growing competitive force in the U.S. grocery world.

And though H-E-B's 5% shopper penetration is far slighter than Walmart (69%), Aldi (30%) and Kroger (24%), it captured a 59% trust score among its shopper base, which represents the highest trust rating among the 23 most frequently shopped grocery stores in the nation.

### GO-TO GROCERS BY REGION

As depicted in the chart below, while Walmart is shopped most often for groceries in all pockets of the nation, many strong regional competitors factor notably in the mix, evident in the breakout of banners across different geographic parts of the country.

Cincinnati-based Kroger factored as the "shopped most often" retail runner-up in the South and Midwest and Keasby, N.J.-based Wakefern Food Corp.'s ShopRite scores in the Northeast as being best-equipped to withstand Walmart.

In the Western U.S., Walmart's spoils are held back by a mix of players, including Safeway, Kroger, Costco, Albertsons, WinCo and Trader Joe's.

## BIGGEST CHANGES IN SHOPPER PENETRATION (VS. 2018)

# Walmart +5 points    Aldi +3 points

**While Walmart is a constant, the competitive landscape differs across regions, with many strong regional competitors.**

## SHOPPED MOST OFTEN FOR GROCERIES BY REGION

● Northeast   ● South   ● Midwest   ● West

| Northeast | | South | | Midwest | | West | |
|---|---|---|---|---|---|---|---|
| Walmart | 19% | Walmart | 38% | Walmart | 33% | Walmart | 26% |
| ShopRite | 14% | Kroger | 13% | Kroger | 17% | Safeway | 11% |
| Stop & Shop | 13% | Publix | 10% | Aldi | 12% | Kroger | 8% |
| Aldi | 7% | H-E-B | 6% | Meijer | 9% | Costco Wholesale | 7% |
| Giant Food Stores (Pa.) | 5% | Food Lion | 6% | Hy-Vee | 5% | Albertsons | 7% |
| Wegmans | 4% | Aldi | 5% | Jewel-Osco | 4% | WinCo | 6% |
| Shaw's | 4% | Save-A-Lot | 2% | Save-A-Lot | 3% | Trader Joe's | 5% |
| Save-A-Lot | 4% | Winn-Dixie | 2% | Target | 2% | Ralphs | 4% |
| Acme | 3% | Sam's Club | 2% | Giant Eagle | 2% | Vons | 4% |
| Hannaford | 3% | Costco Wholesale | 1% | Whole Foods Market | 2% | Stater Bros. Markets | 3% |

**Methodology:** Data for *WGB*'s third annual Most Trusted U.S. Food Retailer report was conducted by BrandSpark International, which uniquely combines real world consumer and shopper insights with marketing credentials and services. Respondents were collected from a national panel of U.S. residents 18 and older who participate in grocery shopping for their household. They were recruited from an email invitation to participate in an online survey in September 2019. The Most Trusted Food Retailer survey was captured from 3,232 respondents, nationally representative by age, gender, census region and income level. The final weighted sample by gender was 68% women and 32% men. BrandSpark research focuses on insights that decode the shopper mindset, specializing in understanding their retail and e-commerce experiences. For more information, visit BrandSpark.com.

# Most Reliable

Full-service supermarkets with strong value perceptions are most likely to capture a greater share of their own shoppers' trips, such as this year's king of trust, H-E-B, which earned a 3-point higher nod than Walmart as the most relied-on retailer as the primary grocery destination in the past six months among its own shoppers. ShopRite and Kroger also hold their own in the reliability department, along with Giant Food Stores, Stop & Shop and Hy-Vee.

Other top-tier retailers that were shopped most often for groceries—especially for specialty and supplementary stock-ups—in the past six months include Food Lion, Meijer, WinCo and Publix, while Safeway, Wegmans and Albertsons also deserve a shoutout. Specialty, club and limited-assortment discounters, meanwhile, are likely to complement another retailer in their shoppers' routines, and include Save-A-Lot, Aldi, Whole Foods, Costco and Trader Joe's. It will be interesting to see if Target's reliability score changes in next year's study after the full effects of its grocery division retooling are in place for a full 12 months.
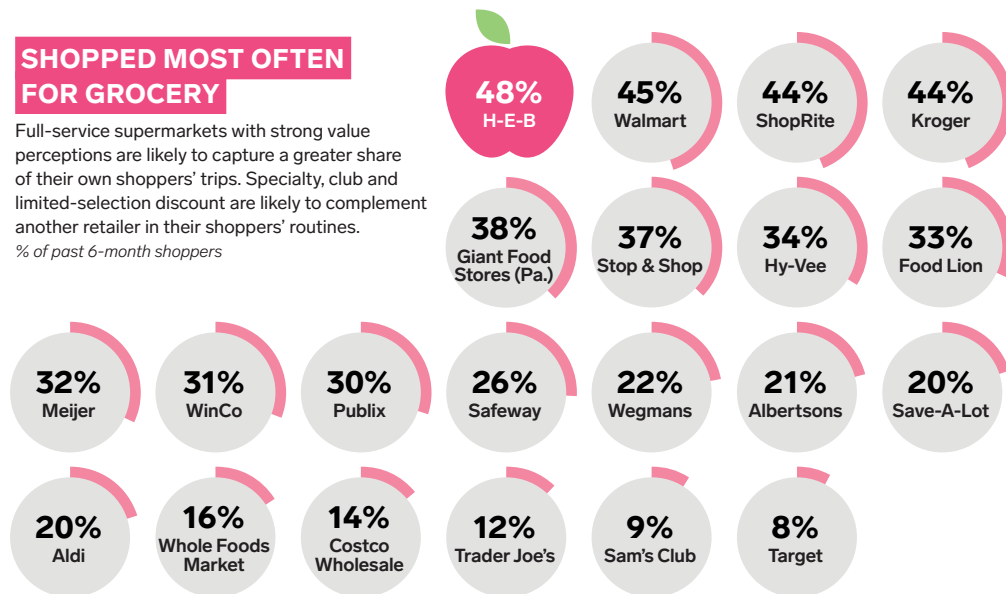
H-E-B earned another feather in its most trusted retailer's cap as the store chosen most often as the sole retailer BrandSpark's panelists would choose to shop for their groceries for the next 12 months. The finding underscores that there is still value to be had for a one-stop shop. Kroger paced next, followed by Wegmans and ShopRite (tie), Walmart, Publix and Meijer, each of which earned a score of 32% or better.

H-E-B scored another merit badge with the highest overall score for recommendations by its shoppers to their family and friends, followed by Wegmans and Costco Wholesale. Other grocery banners earning firm nods in this category include Publix, Trader Joe's and Sprouts Farmers Market.

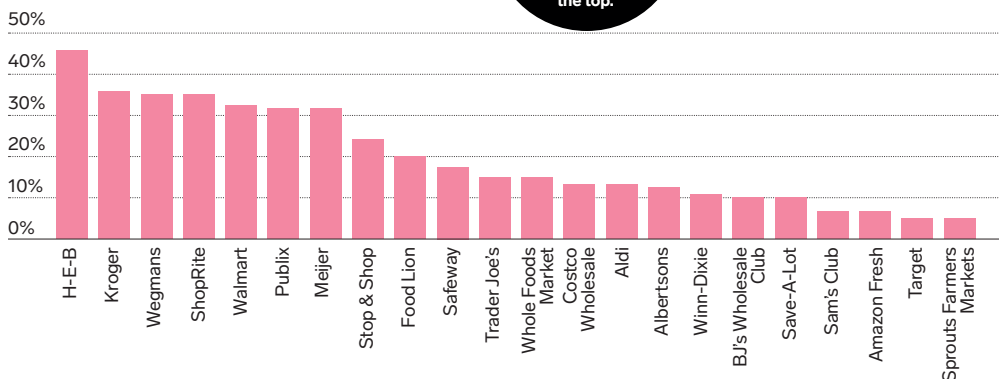## SHOPPED MOST OFTEN FOR GROCERY

Full-service supermarkets with strong value perceptions are likely to capture a greater share of their own shoppers' trips. Specialty, club and limited-selection discount are likely to complement another retailer in their shoppers' routines.
*% of past 6-month shoppers*

| | | | |
|---|---|---|---|
| 48% H-E-B | 45% Walmart | 44% ShopRite | 44% Kroger |
| 38% Giant Food Stores (Pa.) | 37% Stop & Shop | 34% Hy-Vee | 33% Food Lion |
| 32% Meijer | 31% WinCo | 30% Publix | 26% Safeway |
| 22% Wegmans | 21% Albertsons | 20% Save-A-Lot | |
| 20% Aldi | 16% Whole Foods Market | 14% Costco Wholesale | 12% Trader Joe's |
| 9% Sam's Club | 8% Target | | |

**There is still value in the one-stop shop. If shoppers could visit only a single store, full-selection grocers rise to the top.**

## SINGLE STORE OF CHOICE

*% of past 6-month shoppers*



Bar chart (50% to 0% axis) for: H-E-B, Kroger, Wegmans, ShopRite, Walmart, Publix, Meijer, Stop & Shop, Food Lion, Safeway, Trader Joe's, Whole Foods Market, Costco Wholesale, Aldi, Albertsons, Winn-Dixie, BJ's Wholesale Club, Save-A-Lot, Sam's Club, Amazon Fresh, Target, Sprouts Farmers Markets

## MOST RECOMMENDED U.S. FOOD RETAILER

*Banners with more than 150 stores shown*

**H-E-B has the highest score for recommendation by its shoppers, followed by Wegmans and Costco Wholesale.**



Bar chart (60% to 0% axis) for: H-E-B, Wegmans, Costco Wholesale, Publix, Trader Joe's, Sprouts Farmers Markets, Meijer, Sam's Club, ShopRite, BJ's Wholesale Club, Aldi, Kroger, Amazon Fresh, Whole Foods Market, Walmart, Food Lion, Winn-Dixie, Stop & Shop, Target, Save-A-Lot, Safeway, Albertsons

# Most Satisfying

Although the bulk of the Most Trusted Food Retailer data focuses on the nation's various retail banners, it's also appropriate to showcase the key drivers responsible for building or eroding consumers' trust in their grocers of choice. As depicted in the Top Trust Drivers chart (at right), in which BrandSpark's shopper panelists rated the top three factors that affect their trust in a grocery retailer, consumers have become more price-focused in the past year. As a possible sign that rising trade tensions and turbulent markets are having an effect on consumer spending, shoppers are first and foremost in search of low prices at 45%, an increase of 4 percentage points from 2018. Quality offerings of fresh produce (42%) and meat (35%) closely followed.

In regard to satisfaction on key attributes of the top five food retailers (Walmart, Kroger, Aldi, Publix and ShopRite), plus this year's retail trust leader, H-E-B, Publix enjoys an above-average satisfaction score in all areas, including overall value, overall experience, selection of food and beverage products, service/staff, fresh produce and fresh meat.

H-E-B exceeds average satisfaction on every measure except selection of nonfood products, while Aldi earns high marks for its extreme value and quality private label products. ShopRite was also found to deliver solid satisfaction with value, along with strong selection and easily shopped stores.
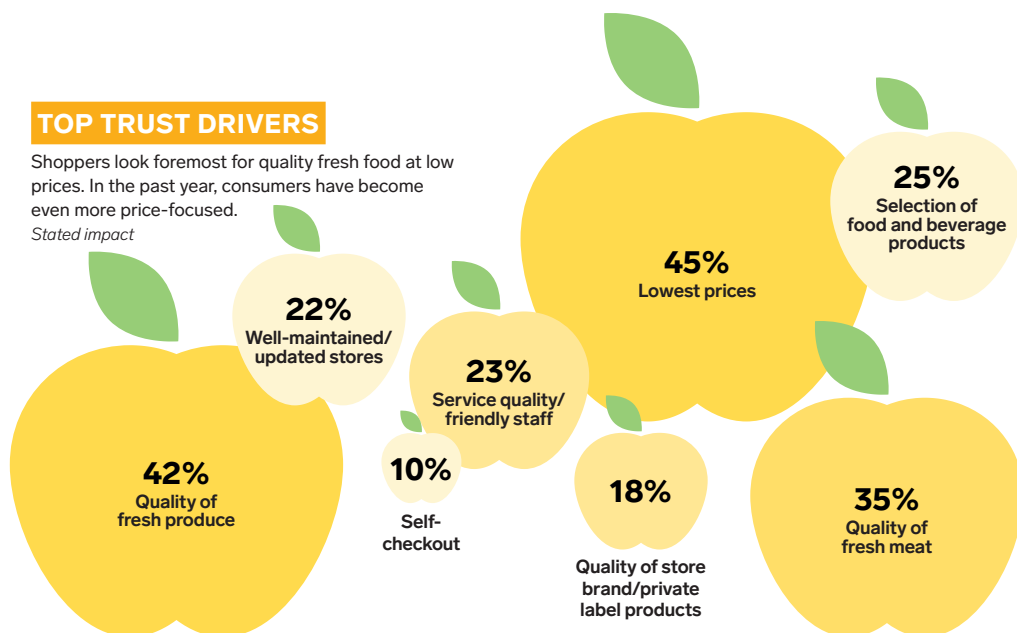
Walmart has a higher score than the average only in terms of a variety of products, although its scores are slightly lower than the average in all other categories.

Overall, Kroger's satisfaction scores are consistent with the industry average, while its satisfaction levels for fresh produce far exceeds the industry average.

## TOP TRUST DRIVERS

Shoppers look foremost for quality fresh food at low prices. In the past year, consumers have become even more price-focused.
*Stated impact*

**25%** Selection of food and beverage products

**45%** Lowest prices

**22%** Well-maintained/updated stores

**23%** Service quality/friendly staff

**42%** Quality of fresh produce

**10%** Self-checkout

**18%** Quality of store brand/private label products

**35%** Quality of fresh meat

## SATISFACTION ON KEY ATTRIBUTES*

*\* Top 5 based on share of trips, plus H-E-B*

Legend: Grocery store average · Walmart · Kroger · Aldi · Publix · ShopRite · H-E-B
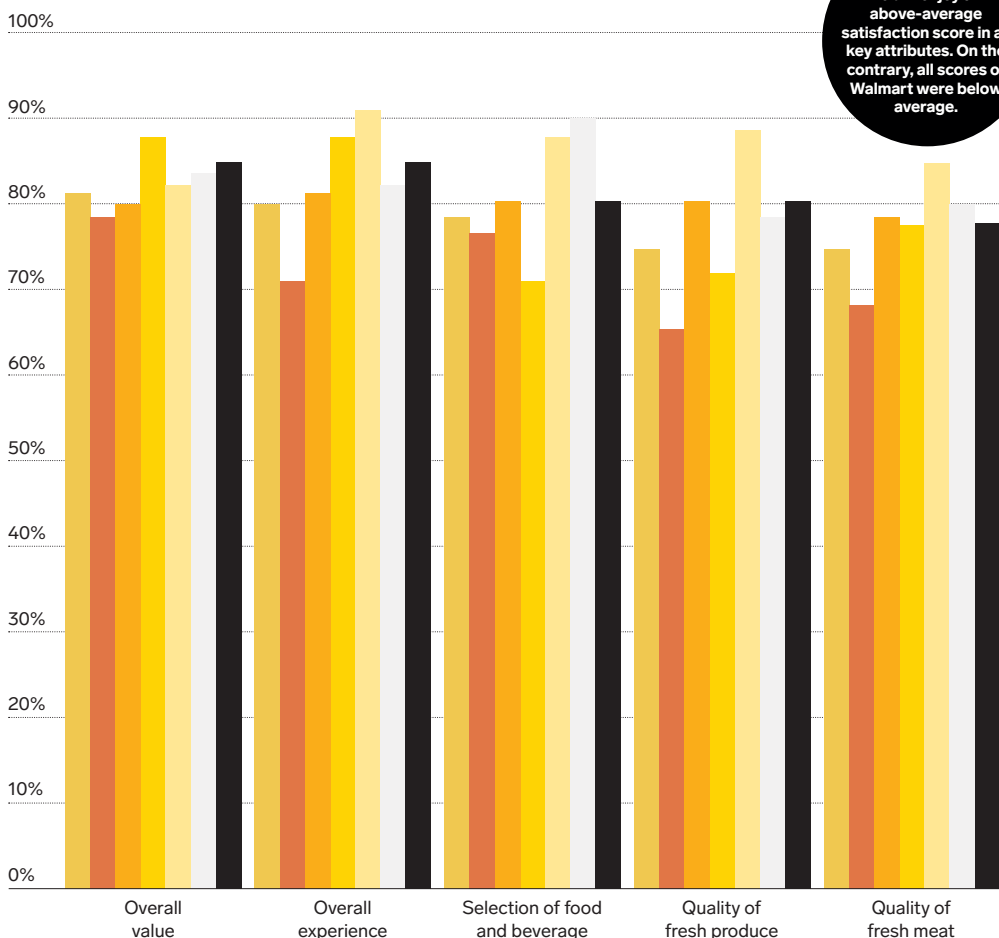
**H-E-B and Publix enjoy an above-average satisfaction score in all key attributes. On the contrary, all scores of Walmart were below average.**



Categories: Overall value · Overall experience · Selection of food and beverage · Quality of fresh produce · Quality of fresh meat

# 61 Most Trusted Food Retailers

Among the top five Most Trusted Food Retailers, Walmart and Aldi are the two national retailers that most significantly increased penetration in the past year. During the past six months, more than two-thirds of BrandSpark's Most Trusted Food Retailers' consumer panel shopped at Walmart for groceries vs. 31% in the past three months. Walmart also scored highest among all of its retail competitors across the country in all measures, with double-digit standings in each.

Aldi has had a strong showing during a year when it dramatically strengthened its competitive stance. The discounter is in the midst of a $5 billion plan to expand to 2,500 stores in the U.S. by the end of 2022 as part of its goal to become the third-largest grocery chain in the U.S.

A top priority of Target's to-do list is its new Good & Gather own brand in food and beverage. About 650 of the retailer's new private brand products debuted in September and more than 2,000 items will be available by late next year.

In September, Kroger withdrew incremental operating profit expectations related to its Restock initiative, a $900 million, three-year plan to transform the customer experience in-store, reduce costs and develop new capabilities and alternative revenue streams, because sales growth was slower than anticipated. Nevertheless, Kroger continues to see healthy growth across its portfolio of U.S. banners, which now includes 1,780 curbside pickup locations and 2,225 delivery locations.

Costco Wholesale Corp., meanwhile, will spend about $3 billion in its new fiscal year on capital projects, including about 15 new U.S. stores. **G**

| RETAILER | SHOPPED FOR GROCERIES P6M* | SHOPPED MOST OFTEN FOR GROCERIES P3M** | MOST TRUSTED FOR GROCERY |
|---|---|---|---|
| Walmart | 69.0% | 31.0% | 22.0% |
| Aldi | 30.0% | 6.0% | 6.0% |
| Target | 28.0% | 2.0% | 2.0% |
| Kroger | 24.0% | 10.0% | 11.0% |
| Costco Wholesale | 19.0% | 3.0% | 4.0% |
| Sam's Club | 19.0% | 1.0% | 2.0% |
| Trader Joe's | 15.0% | 2.0% | 3.0% |
| Publix | 13.0% | 4.0% | 6.0% |
| Whole Foods Market | 12.0% | 1.0% | 3.0% |
| Save-A-Lot | 11.0% | 2.0% | 2.0% |
| Safeway | 11.0% | 3.0% | 3.0% |
| Albertsons | 8.0% | 2.0% | 2.0% |
| Food Lion | 7.0% | 2.0% | 2.0% |
| Stop & Shop | 7.0% | 2.0% | 2.0% |
| ShopRite | 7.0% | 3.0% | 3.0% |
| Meijer | 6.0% | 2.0% | 2.0% |
| BJ's Wholesale Club | 6.0% | 1.0% | 1.0% |
| Sprouts Farmers Markets | 6.0% | 1.0% | 1.0% |
| Amazon Fresh | 5.0% | 1.0% | 0.0% |
| H-E-B Grocery | 5.0% | 2.0% | 3.0% |
| Winn-Dixie | 5.0% | 1.0% | 1.0% |
| Wegmans | 5.0% | 1.0% | 2.0% |
| WinCo | 5.0% | 1.0% | 2.0% |
| Piggly Wiggly | 4.1% | 0.6% | 0.6% |
| Grocery Outlet | 3.8% | 0.7% | 0.6% |
| IGA | 3.7% | 0.3% | 0.4% |
| Smart & Final | 3.3% | 0.2% | 0.2% |
| Vons | 3.0% | 0.8% | 0.5% |
| Harris Teeter | 3.0% | 0.4% | 0.6% |
| The Fresh Market | 2.9% | 0.1% | 0.3% |
| Acme | 2.9% | 0.7% | 0.7% |
| Hy-Vee | 2.9% | 1.0% | 1.2% |
| Ralphs | 2.9% | 0.8% | 0.8% |
| Giant Eagle | 2.7% | 0.5% | 0.8% |
| Giant Food Stores (Pa.) | 2.6% | 1.0% | 1.0% |
| Fred Meyer | 2.5% | 0.6% | 0.6% |
| Stater Bros. Markets | 2.5% | 0.8% | 0.7% |
| Shop N Save | 2.4% | 0.3% | 0.1% |
| Jewel-Osco | 2.4% | 0.8% | 0.9% |
| Hannaford | 2.3% | 0.7% | 0.8% |
| Price Chopper | 2.3% | 0.6% | 0.7% |
| Shaw's | 2.0% | 0.8% | 0.7% |
| Weis Markets | 1.9% | 0.3% | 0.3% |
| Lidl | 1.9% | 0.2% | 0.2% |
| Lowe's Foods | 1.9% | 0.2% | 0.1% |
| Ingles Markets | 1.8% | 0.4% | 0.4% |
| Giant Food (Balt.-Wash.) | 1.8% | 0.4% | 0.5% |
| Bi-Lo | 1.7% | 0.2% | 0.2% |
| Key Foods | 1.4% | 0.4% | 0.2% |
| Lucky's Market | 1.4% | 0.2% | 0.1% |
| Fresh Thyme Farmers Markets | 1.3% | 0.0% | 0.1% |
| Cub Foods | 1.2% | 0.2% | 0.4% |
| Raley's (incl. Bel Air, Nob Hill) | 1.1% | 0.2% | 0.2% |
| Central Market | 1.1% | 0.0% | 0.1% |
| Brookshire Brothers | 1.0% | 0.1% | 0.3% |
| DeMoulas Market Basket | 1.0% | 0.5% | 0.5% |
| Dillons | 0.8% | 0.2% | 0.3% |
| Quality Food Centers | 0.8% | 0.1% | 0.1% |
| Fareway Stores (Iowa) | 0.8% | 0.1% | 0.1% |
| Rouses | 0.7% | 0.1% | 0.1% |
| Coborn's | 0.4% | 0.1% | 0.1% |

Base: All shoppers | * Past 6 months | ** Past 3 months