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Store Formats and Patterns in Household Grocery Purchases

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What Is the Issue?

Americans are buying more and more of their “food at home,” or groceries, from stores that are not conventional supermarkets. According to Nielsen Homescan data, U.S. households spent 80 percent of their grocery dollars at traditional supermarkets in 1999 but only 62 percent there in 2010. Over the past 20 years, a number of nontraditional store formats—including supercenters (such as Wal-Mart), dollar stores, and club stores—have gained market share and prominence in the food retail landscape. Whether traditional or nontraditional, store formats differ in prices, product assortment, advertising strategies, and location, and each of these characteristics can affect consumers’ food choices. This report broadly outlines the associations between store format choices and food-purchasing decisions, accounting for the role of demographics.

What Did the Study Find?

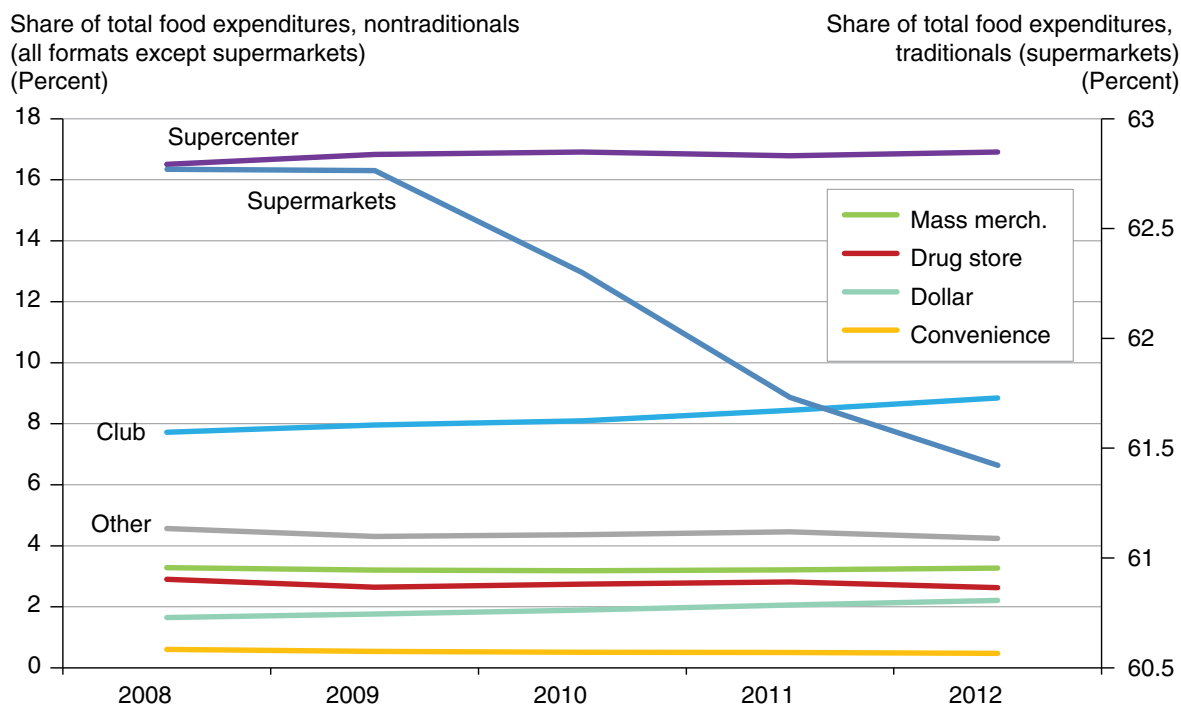
The selection of healthful food available to consumers varies considerably by store format. Likewise, shopping at particular store formats can influence how well consumers’ food purchases align with optimal expenditure shares for various food groups, suggestive of a healthy diet.

- Demographics, particularly income levels, correlate with shopping at particular store formats. Low-income consumers are more likely than high-income consumers are to shop for groceries at supercenters, convenience stores, and dollar stores. In contrast, high-income consumers are more likely to shop at conventional supermarkets and club stores.
- U.S. households deviate widely from food expenditure recommendations with respect to their grocery purchases, on average. This divergence holds true across demographics and store formats.
- Expenditures on fruits, vegetables, whole grains, and lean protein sources are highest at supermarkets and club stores, and lowest at convenience stores, drug stores, and dollar stores.
- The store formats at which consumers shop influence what they purchase. Supermarkets and club stores positively correlate with higher dietary quality of groceries (fresh fruits, vegetables, etc.). On the other hand, convenience stores—the nearest retail food store for many

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households in dense urban environments—and dollar stores correlate negatively with the purchase of healthful food. In general, these correlations are weak, but in both directions (toward more healthful and less healthful), they tend to be strongest for low-income households and weakest for high-income households.

Share of food-at-home expenditures, by store format, 2008-12



Note: Mass merch = mass merchandiser.

Source: USDA, Economic Research Service calculations using Information Resources, Inc., Household Panel data, 2008-12.

How Was the Study Conducted?

The Information Resources, Inc. (IRI) Household Panel dataset, 2008-12 used here consists of comprehensive food-at-home purchase records. The sample includes approximately 116,000 households and is intended to represent the U.S. population. The panel provides rich household-level demographics and allows purchases to be sorted by store format. The healthfulness measure used in this study is informed by the *Low-Cost, Moderate-Cost, and Liberal Food Plans* (2007) expenditure shares from USDA's Center for Nutrition Policy and Promotion as well as the USDA 2005 Healthy Eating Index. Overall diet quality is measured with a metric recently developed by ERS researchers.