



A New Approach to Solutions Design Helps Launch an Urban Foodie Format

One of the world’s biggest grocery companies collaborated with Innosight to create new store formats and business models that would disrupt the supermarket with an urban shopping experience focused on quick trips and local food sources.

REINVENTING THE GROCERY EXPERIENCE

As grocery stores have grown into 30,000 square foot supermarkets and even larger hypermarkets, the food retailing business has become focused on scale and selection, often overshooting the needs



of many shoppers. To move away from the “one size fits all” approach, one of the world’s largest supermarket chains asked Innosight to help it embrace powerful counter-trends: Young people and older people alike are flocking to cities, which often cannot accommodate big box stores. The rise of foodies and the “farm to table” movement has created a growing market for fresh choices from local growers and producers. More consumers are moving away from processed foods and embracing healthier,

organic options. They also want to spend less time shopping, even if it means more frequent trips. Could a supermarket chain disrupt itself by starting a new format from scratch?

SOLUTION DESIGN: ORGANIZING AROUND THE SHOPPER

As part of the initial research, the Innosight team fanned out to observe and interview shoppers in foodie capitals such as New York, Chicago and Austin—visiting environments with windowed kitchens, community centers, local mushroom displays, and organic coffee bars. To bring as many new ideas into the engagement as possible, the team created a card deck of more than 100 emerging food and retail concepts, with photos on one side and a summary and location on the other. Some ideas, such as ready-to-cook dinners for two, seemed especially relevant, but no idea was too far out to catalog. The ideation exercise fed into Innosight’s Solution Design approach, in which the “jobs to be done” of consumers were matched with potential ways to satisfy them. To bring seven different customer archetypes to life, we created life-size customer profiles in the layout of refrigerator postings. We also employed sketch artists to visualize different store features and formats.

PILOTING NEW FORMATS IN THE MARKET

The team recommended three new format options to explore through 90-day test-and-learn plans, two of which the client decided to pursue with dedicated teams and funding. All are concepts for a new grocery shopping experiences organized not around products and vendor relationships, but around customer jobs to be done. The company recently began to roll out one of the urban formats in several U.S. locations. The new stores are compact—less than 10,000 square feet—and feature local produce, organic choices, vibrant designs, and sections that cater to the kinds of meals busy consumers enjoy preparing. To save time and keep costs down, the store only offers high-tech, self-check-out stations, but always with a support person on hand to help. The company is now in the process of evaluating the success of the new format by learning how to optimize the experience ahead of a national launch.



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