

# Will soaring Thanksgiving food costs drive new shoppers to discount grocers?

Article

**The forecast:** The cost of a traditional Thanksgiving meal is expected to be 13.5% higher than a year ago, per IRI.

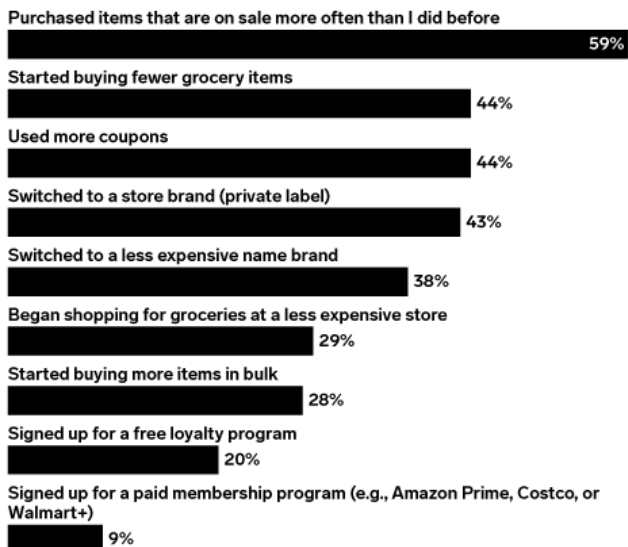
- That's slightly higher than the 11.2% year-over-year increase in grocery prices reported in September due, in part, to turkey prices soaring as a result of the avian influenza.

**The opportunity:** Inflation has driven 29% of grocery buyers to begin shopping at less expensive stores. Given that no holiday is more closely tied to home cooking, several discount grocers see a unique opportunity to attract new customers into their stores by offering steep discounts on Thanksgiving ingredients.

- **Walmart** is selling holiday basics, such as turkey and potatoes, as well as convenience items, like **Ocean Spray** cranberry sauce and pumpkin pie, at the same prices as last year.
- **Aldi** last week **launched** its “Thanksgiving Price Rewind” promotion in which it is discounting a range of items including brie cheese, prosciutto, cornbread stuffing, and apple pie to its pre-pandemic 2019 prices. The retailer is featuring a Thanksgiving Price Rewind icon in local ads and throughout its stores.
- **Lidl** is **selling** a \$30 Thanksgiving basket of 12 items—including turkey, milk, and pie crusts—that it says provides shoppers with enough ingredients to feed up to 10 people.
- It isn't just discount stores seeking to capture a larger share of Thanksgiving shopping; **BJ's Wholesale Club** is offering members who spend \$150 in a single transaction a coupon for a free whole turkey.

## Actions US Grocery Buyers Have Taken to Save Money at the Grocery Store, Sep 2022

% of respondents



Note: in the past two months

Source: "The Insider Intelligence Grocery Survey" conducted in Sep 2022 by Bizrate Insights, Sep 27, 2022

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**Building loyalty:** Retailers are seeking to boost membership in their loyalty programs by offering participants unique discounts. While that type of initiative isn't new, it's particularly effective as consumers grow more value-oriented. In the past few months, 20% of shoppers seeking to save money at the grocery store have signed up for a free loyalty program, and 9% have enrolled in a paid membership program such as Walmart+ or a BJ's membership, per our September survey conducted with Bizrate Insights.

- Some merchants are offering discounts on a specific item. For example, members of Lidl's free myLidl program can buy a frozen turkey for 49 cents per pound.
- Others are leveraging rewards to build long-term loyalty. For instance, Walmart is offering Walmart+ members access to over \$1,000 in [Walmart Rewards](#) offers on hundreds of items.

**The big takeaway:** Inflation has reduced consumers' brand loyalty. While this inflationary environment may be temporary, discount retailers have the opportunity to create positive experiences for customers that could translate into lasting loyalty.

**Go further:** Explore other tactics retailers can take in our [Grocery Inflation](#) report.

*This article originally appeared in Insider Intelligence's **Retail & Ecommerce Briefing**—a daily recap of top stories reshaping the retail industry. Subscribe to have more hard-hitting*

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