

#1

**WEB SITES #1 SOURCE
FOR RECIPE
INSPIRATION, AND
SHOPPING LISTS**

48%

**OF RELISH AUDIENCE
HAVE HH INCOME OF
\$100K+**

SUMMARY

Fueled by tech-savvy, digitally-native millennials, online grocery shopping is growing rapidly and is expected to become a \$130+ billion annual market in 3 years¹. 56% of 25-45 year-olds currently shop for groceries online².

Websites are the #1 source for cooking information, recipe inspiration and creation of grocery shopping lists. As a top publisher of food sites reaching millennials, Fexy has developed proprietary technology that connects a set of recipes directly to brick and mortar and online grocery stores for immediate purchase of all recipe ingredients.

Relish technology is integrated across top food sites and blogs with over 60 million monthly visits and growing rapidly. The Relish audience ranks #1 for consumers who spend \$500+ monthly on groceries online, the audience is 25% male/75% female, and 48% have a household income of \$100K+³.

Relish also provides brands with native integrations, optimizing exposure and consideration from the point of inspiration all the way into the shopping cart.

As millennials continue to develop proficiency with Relish and other online grocery shopping tools, usage will increase among this demographic group and drive mass adoption across all audiences.

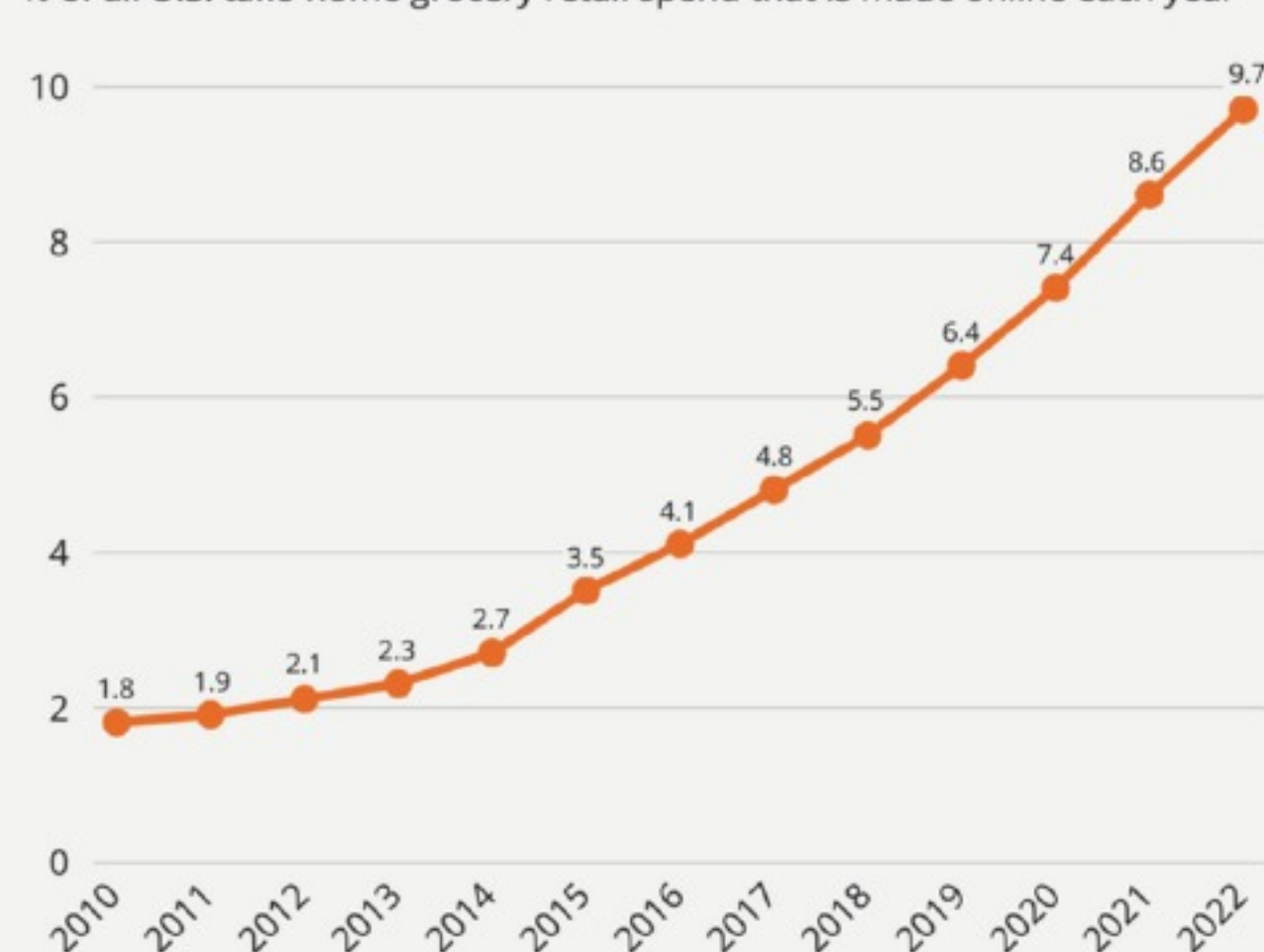
MACRO-TRENDS FUELING ONLINE GROCERY SALES

The millennial generation is the largest in American history (even larger than Baby Boomers and notably larger than Generation X), and its members have a rapidly increasing purchase power. Without a doubt, millennials are quickly becoming the most important consumers, with an estimated spending power of \$10 trillion over their lifetimes.

Millennials are also the first digitally-native generation, and therefore approach online shopping quite differently than previous generations. They see online shopping as a simple, time-saving channel and leverage it for more than 50% of their overall purchases outside of groceries today. In addition, because millennials are the most tech-savvy generation, they influence the online behavior of all other generations. As millennials continue to develop proficiency with respect to online grocery shopping and increase their usage as a result, they will teach their parents and neighbors to do the same.

Proportion of U.S. grocery spend made online

% of all U.S. take-home grocery retail spend that is made online each year



Source: GlobalData analysis and forecasts

In 2018, online grocery sales accounted for 5.5% of overall grocery revenues. This behavior, however, is quickly accelerating. By 2022, it is estimated that online grocery will represent at least 10% of all grocery sales. With total grocery dollars forecasted to be over \$1.3 trillion, that's a \$130+ billion market in 3 years!¹

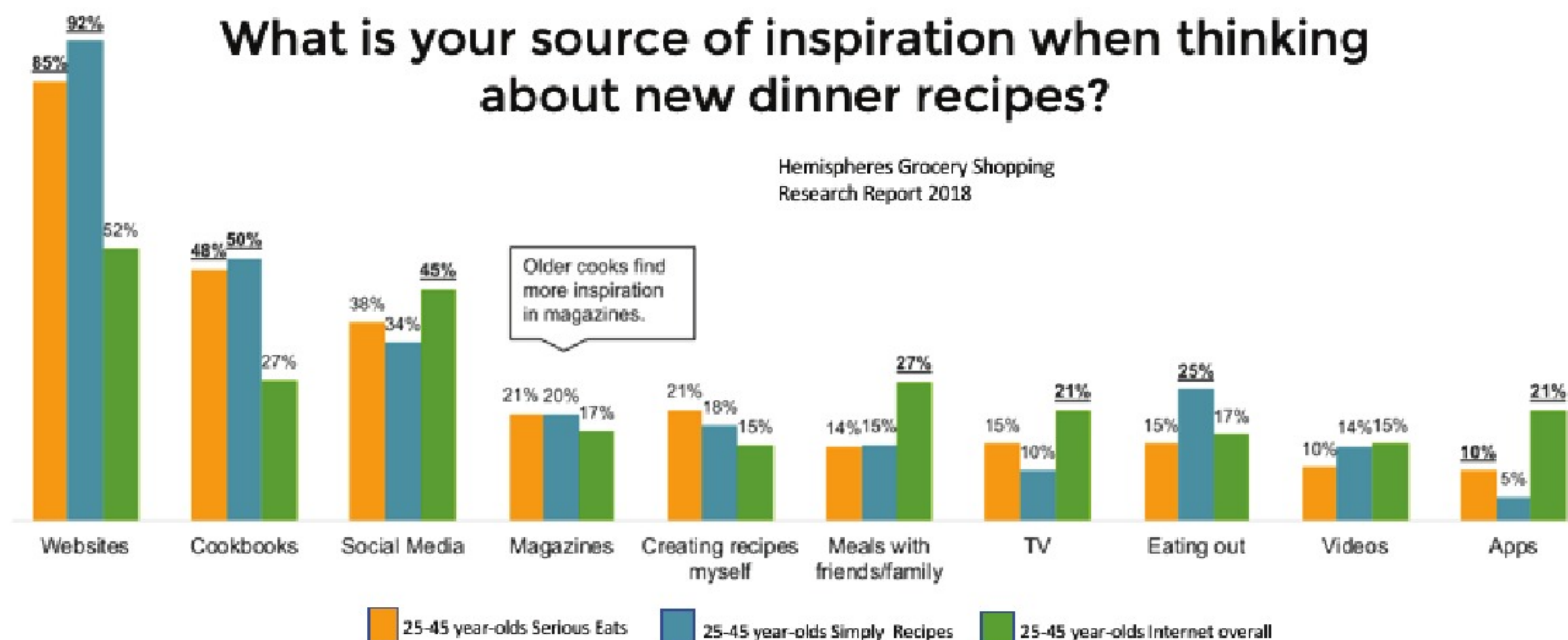
¹ <https://www.onespace.com/blog/2018/08/online-grocery-food-shopping-statistics/>

² Hemispheres Proprietary Grocery Shopping Research Report 2018

³ comScore Plan Metrix, Dec 2018 Food Category

RECIPES >> SHOPPING LISTS >> GROCERY SHOPPING

Grocery lists start with recipes, and websites are, without a doubt, the most important source of daily recipe inspiration, according to a recent Internet study of 25-45 year-olds. The audiences of Serious Eats and Simply Recipes, websites that index No. 1 and No. 2 respectively for millennials⁴, lead the charge. As the data illustrates below, the general internet population (green) also prefers websites over all other options for daily recipe inspiration.









RELISH ENABLES MILLIONS OF CONSUMERS TO EASILY GROCERY SHOP ONLINE

The Relish Platform (developed over the last 3 years by Fexy) has been created in anticipation of explosive online grocery sales. The executive team behind Relish has worked collectively for decades in the digital food ecosystem and has developed proprietary technology superior to anything else in the marketplace.

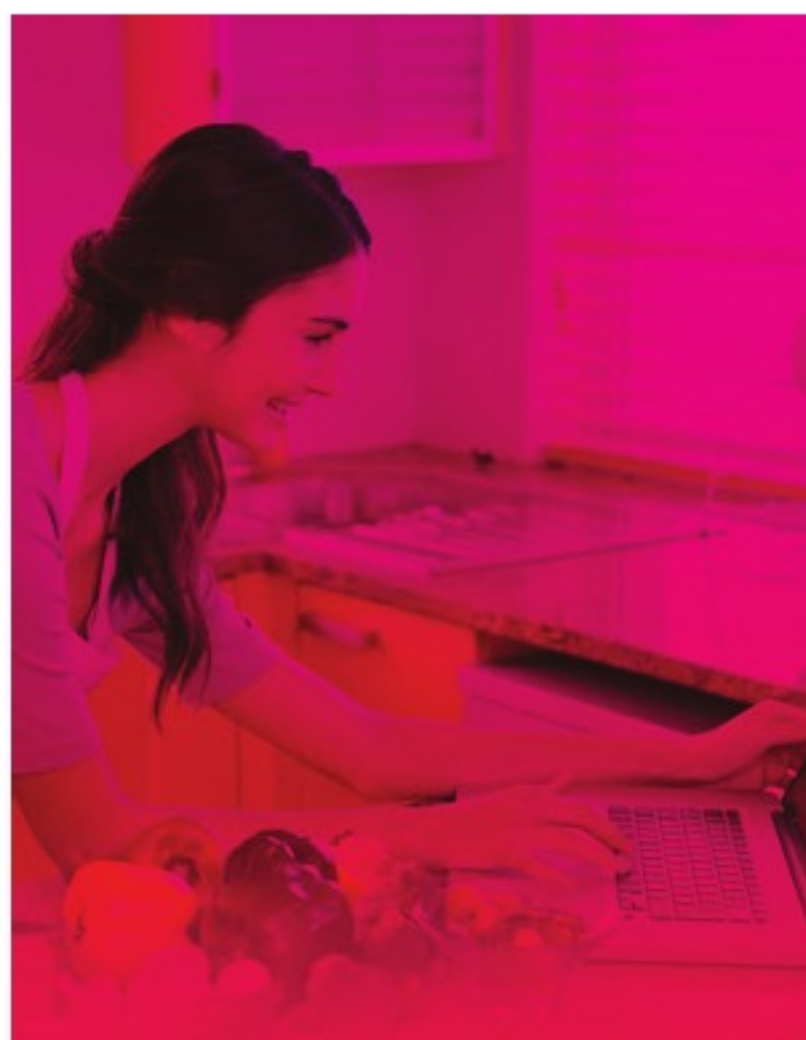
With Relish integration, any digital publisher of recipes can connect a set of recipes directly to online grocery retailers. Relish leverages artificial intelligence, machine learning and human intelligence, ensuring each ingredient returns accurate SKUs on the retailer's site. Since launching in July 2018, Relish has integrated over 20,000 of the highest quality digital recipes that home cooks can be successful with, making them shoppable for all consumers across all platforms. These recipes appeal to millennials because of their authenticity, approachability, and of course, great tastes.

Below are demographics of the collective Fexy & Relish audiences.

RELISH Ranks #1 in Food for:	FEXY Ranks #1 in Food for:
 Bachelors Degree (CI 117)	 Persons 21-34 (CI 122) Persons 25-34 (CI 134)
 Own a house (CI 133)	 First among my friends to shop online/E-commerce (CI 157)
 Entertain at home (CI 138)	 Consider myself influential / trend setter (CI 120)



2019 INSIGHTS: Content Shoppability Driving Online Grocery



RELISH RANKS #1

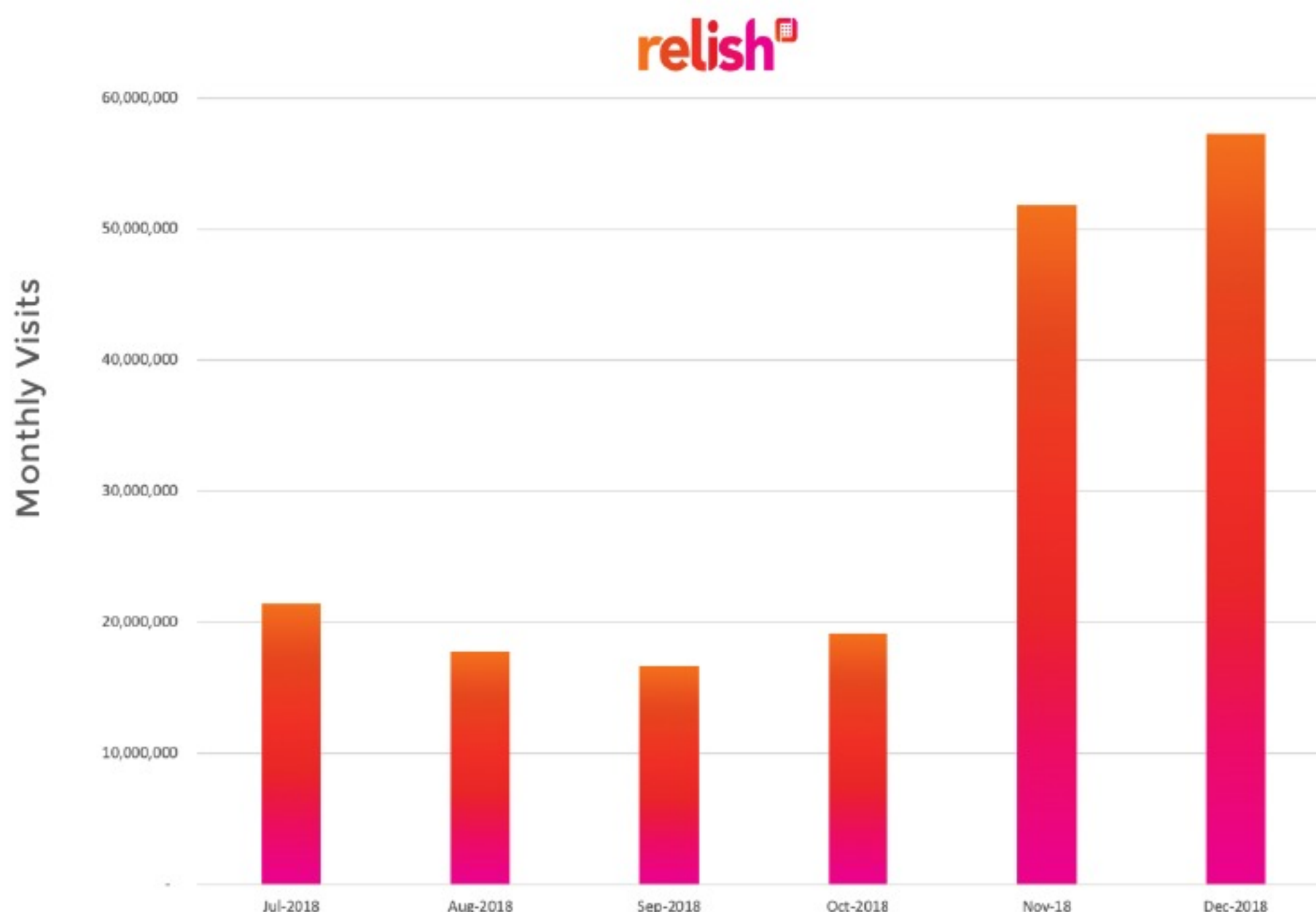
FIRST TO SHOP
ONLINE

OWN A HOUSE

CONSIDER MYSELF A
TRENDSETTER

ENTERTAINS
AT HOME

Not only does the Relish Audience have attractive demographics, but the sheer size and activity of this audience is impressive as well. 60 million consumers visit shoppable recipe websites utilizing the Relish platform on a monthly basis. Numbers have ramped significantly since November 2018 as new sites have adopted the Relish platform. This trend will continue throughout 2019 and beyond.



Source: comScore Media Metrix

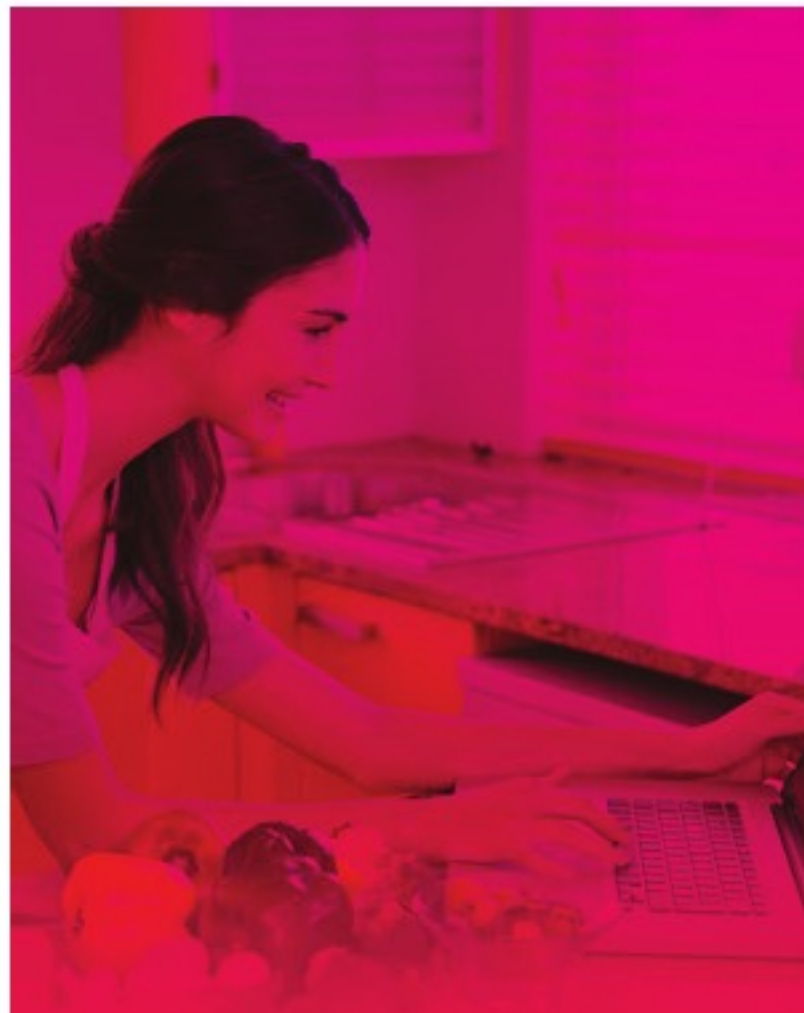
RELISH AUDIENCE: DAILY PLANNING & SHOPPING FOR MEALS

These 60 million monthly grocery shoppers are planning meals and purchasing groceries each and every day. Taking a deep dive into traffic patterns, it is clear that Sunday is biggest day for planning, while Monday is the largest for shopping. In aggregate, 70% of all shopping occurs on weekdays.





2019 INSIGHTS: Content Shoppability Driving Online Grocery

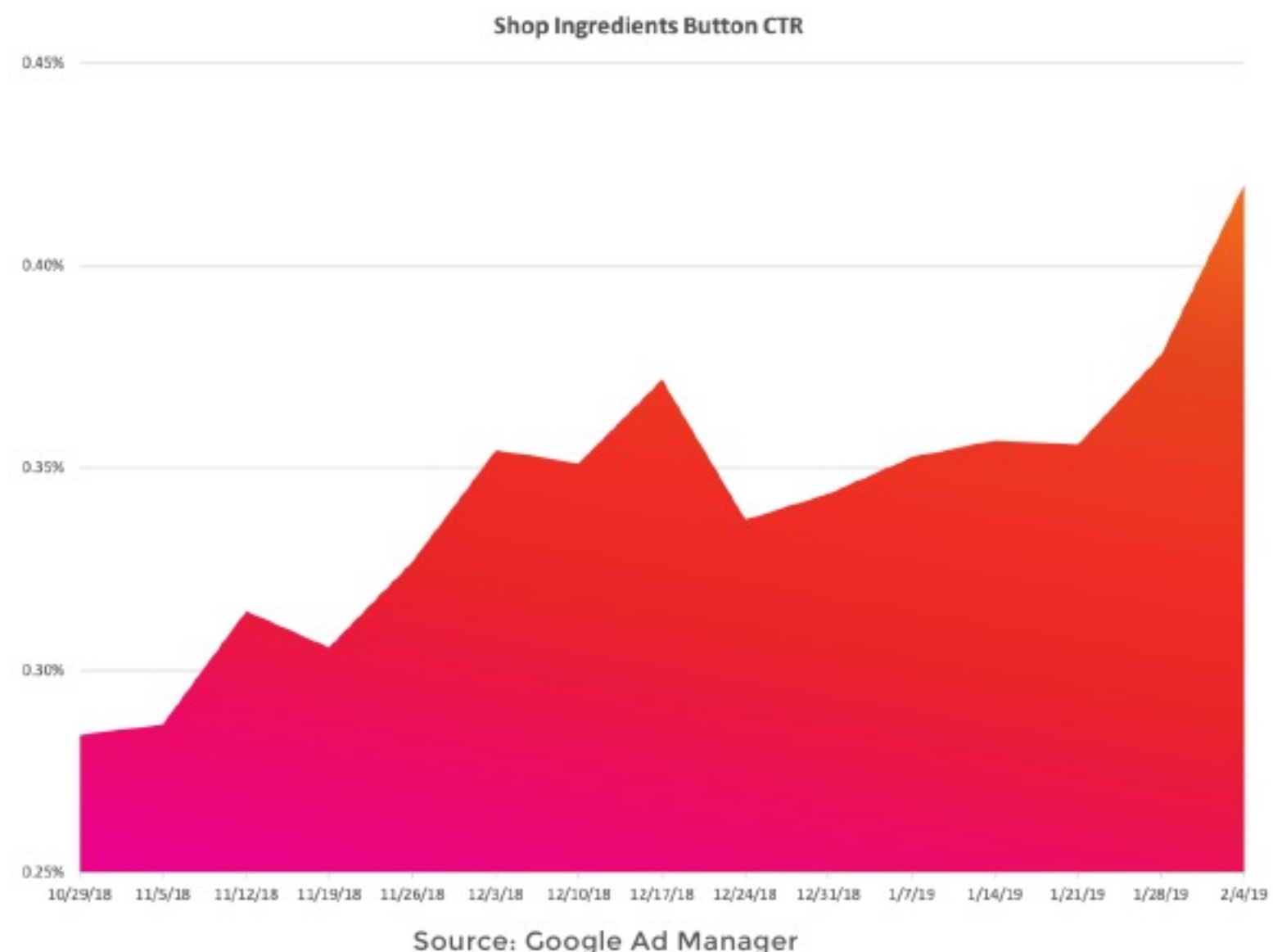


10%
OF ALL GROCERY
SALES ONLINE BY 2020

\$130 B
PROJECTED ONLINE
GROCERY SPEND IN US
BY 2020

RAPID TECHNOLOGY ADOPTION

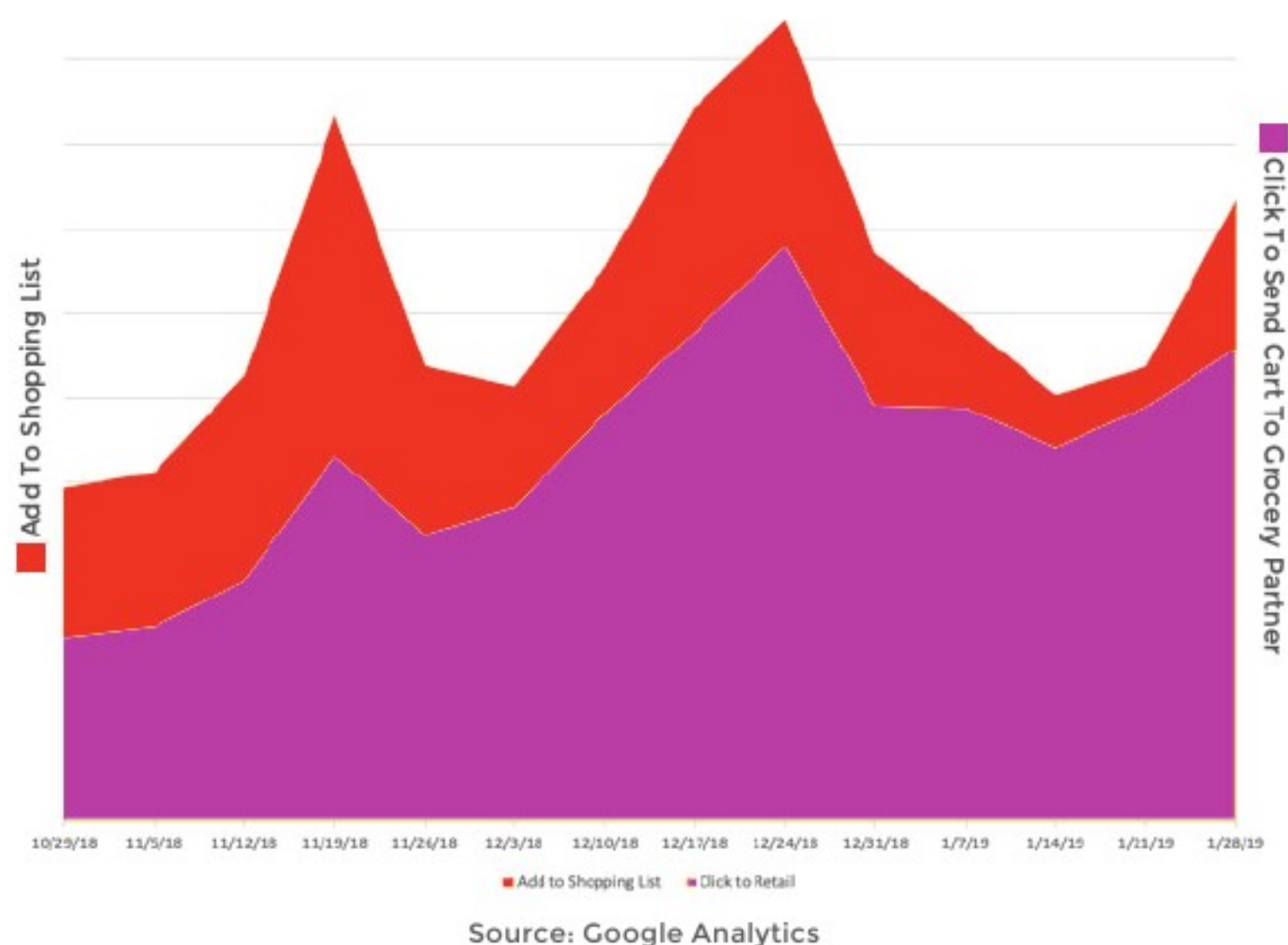
Since its launch in July 2018, the adoption of Relish technology by the highest quality digital food publishers has been explosive. With the Relish Audience currently at 60 million, this number is projected to be at 100 million by Q4 2019. Committed to making the online grocery shopping experience the best it can be, Relish Audience publishers continue to tailor the user experience to their specific audiences. Click-through on the “Shop Ingredients” button continues to improve as a result. Constant testing and optimizing is core to the Relish ethos.

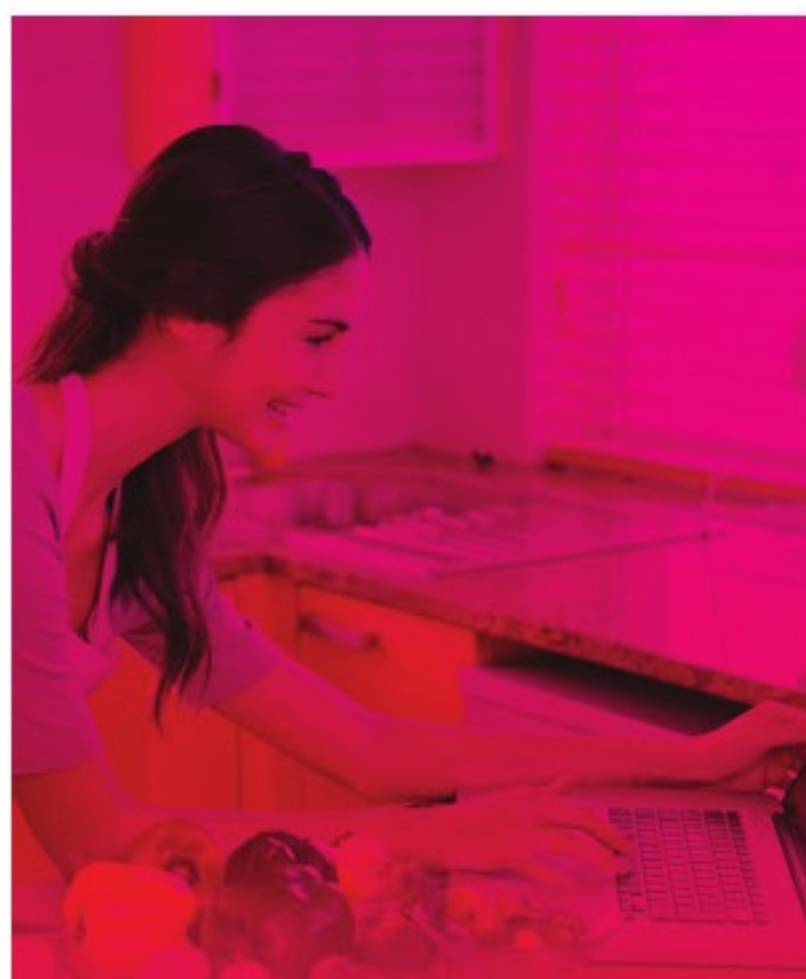


ONLINE RECIPE USERS = ONLINE GROCERY SHOPPERS

Once savvy consumers are aware that they can find a recipe online and instantly buy all the ingredients for same-day delivery or pickup, digital grocery transactions start to occur more frequently. In addition, because the Relish technology is integrated into many of the highest quality recipe websites, consumers learn that they can choose recipes across a multitude of world-class sites and buy all of the ingredients for multiple recipes with a single click.

The graph below illustrates how many more visitors are converting to buyers from the shopping basket on a daily basis.





5X

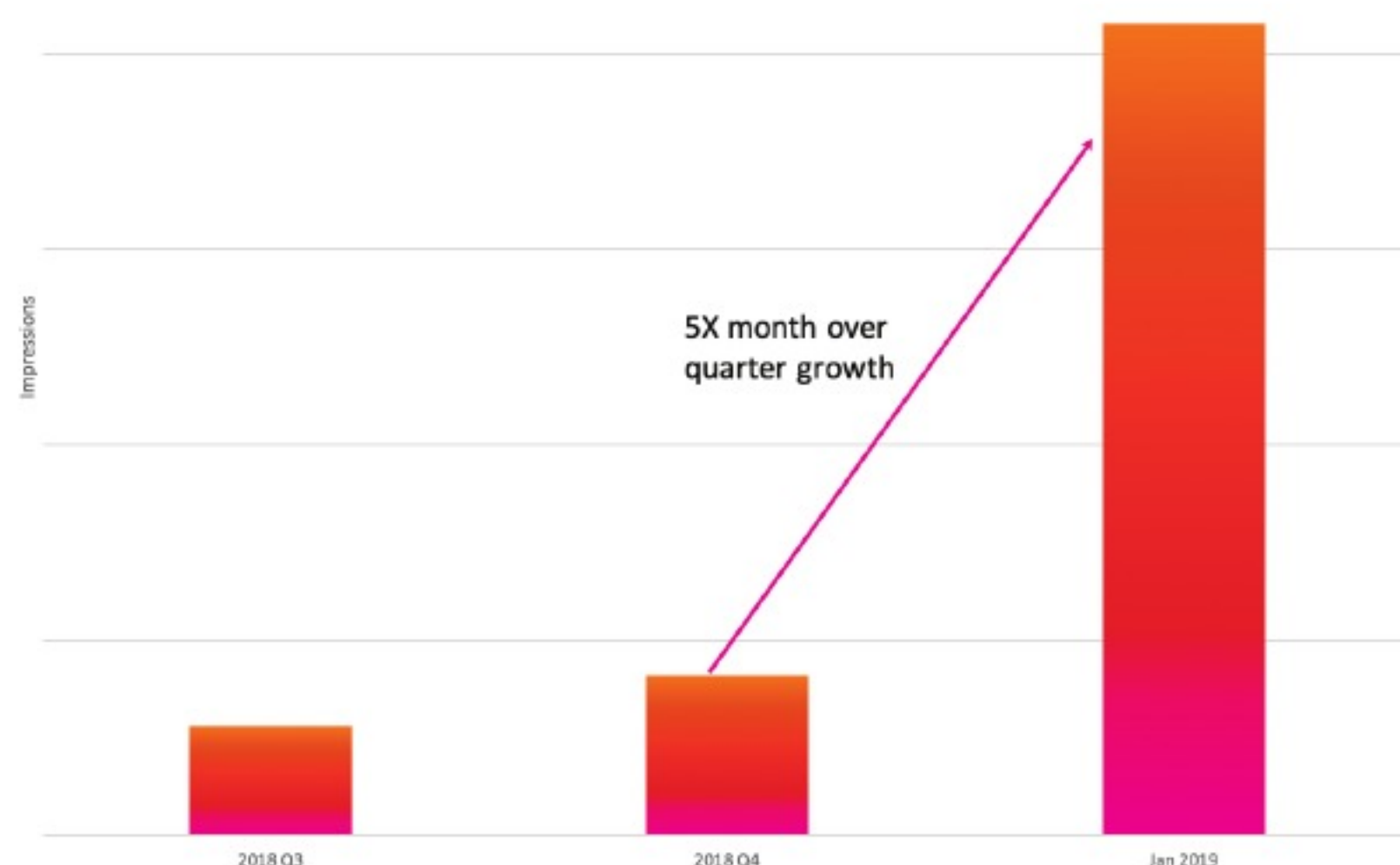
**GROWTH IN DIGITAL
SHOPPER MARKETING
PROGRAMS FROM Q4
2018 TO JANUARY 2019**

35%

**OF 25-45 YEAR OLDS
SHOP ONLINE FOR
GROCERIES AT LEAST
ONCE PER WEEK**

SHOPPABLE NATIVE BRAND INTEGRATIONS

Consumers browsing recipes convert to immediate grocery shoppers. Brand consideration is top of mind as buyers browse ingredient lists on a per recipe basis. There are several native brand opportunities built right into the Relish platform to optimize brand exposure throughout the process, straight through to the digital grocery cart. Brands are recognizing the value of branded product integrations on the path to purchase. Product placement impressions on the recipes and shopping lists have grown 5x when comparing January 2019 to all of Q4 2018. These high growth rates will continue as customers rapidly adopt online grocery commerce and delivery/pickup services.

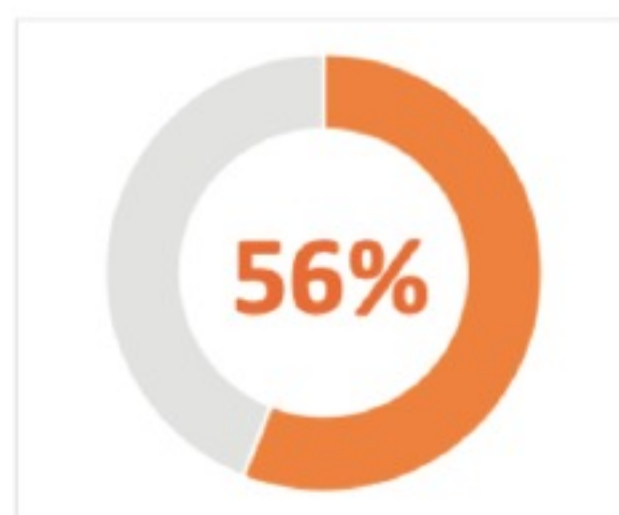


Source: Google Ad Manager

PREFERRED METHODS OF SHOPPING & GROCERY RETAILERS

Online grocery shopping is not a novelty anymore. When 25-45 year-olds are asked how frequently they shop online for groceries, 56% say monthly or more often.

Online grocery shopping is not a novelty anymore!



When 25- to 45-year-olds are asked how frequently they shop online for groceries, 56% say **monthly or more often.**

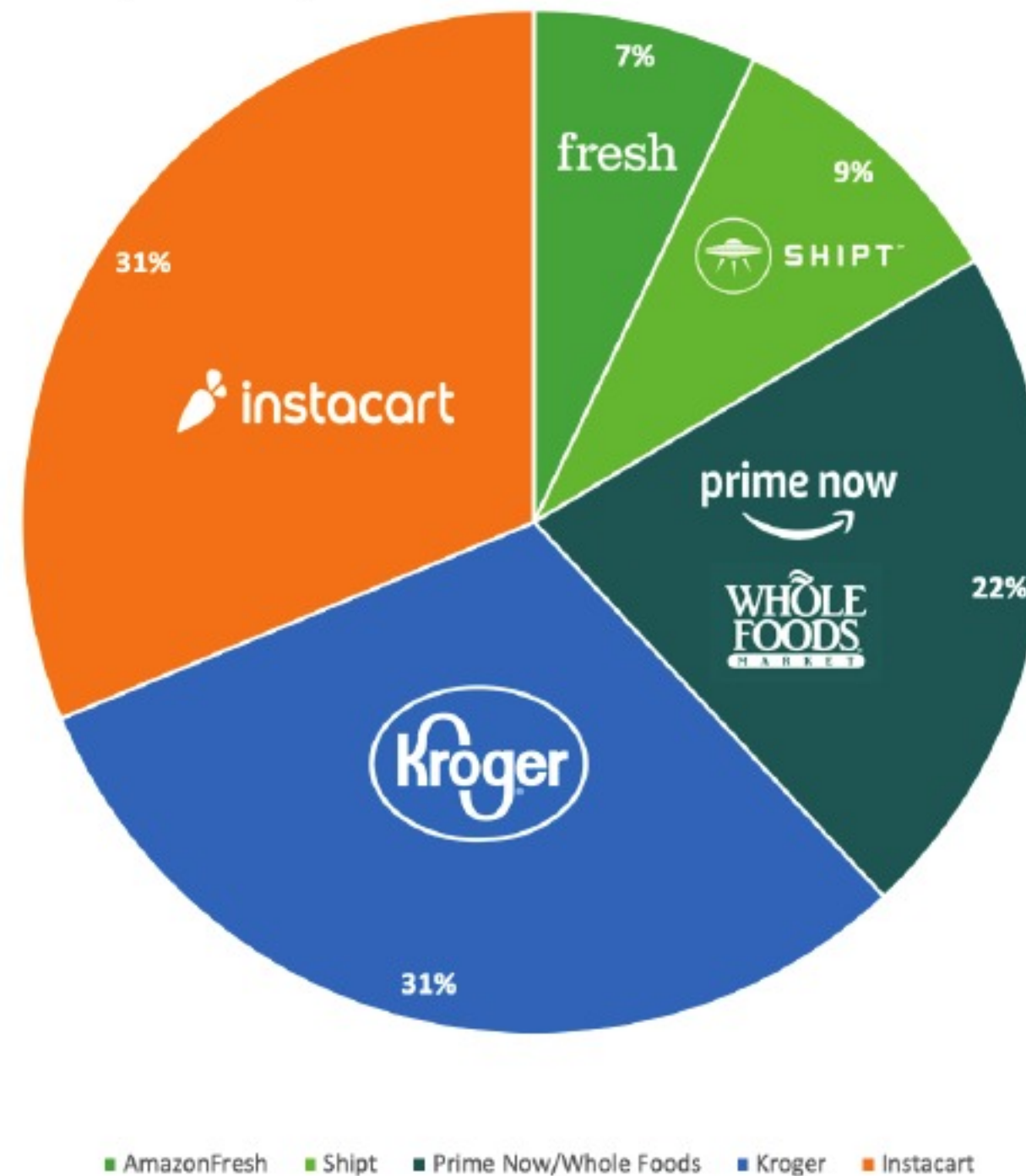


Source: Hemispheres Grocery Shopping Research Report



50%+
OF SERIOUS EATS AND
SIMPLY RECIPES
AUDIENCES
PURCHASE A WIDE
RANGE OF GROCERY
ITEMS ONLINE,
INCLUDING FRESH,
FROZEN, CANNED
AND PACKAGED
FOODS

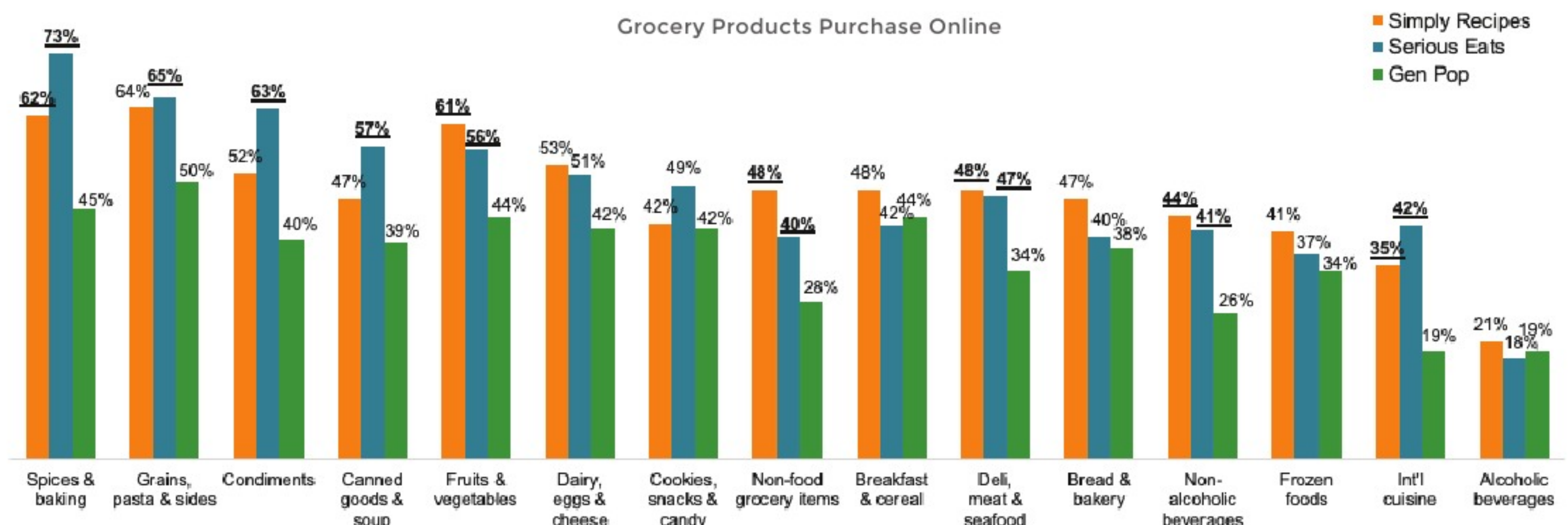
Analyzing Relish data and grocers who receive downstream traffic from the Relish Audience, platform popularity is a virtual tie between Kroger and Instacart, with Amazon close behind. Kroger recently released enhanced capabilities for publishers to integrate with their retail platform. Walmart will follow suit, and Kroger and Walmart will likely break away from the pack in 2019. (*Walmart is currently being added to the Relish platform.)



Source: Google Analytics

GROCERY DOLLARS IN ONLINE SHOPPING CARTS

Because many online grocers have subscription fees or delivery charges, consumers make sure the size of their order justifies the extra spend. This leads to robust shopping carts, both in average dollars as well as number of line items. And when surveyed, consumers are surprisingly favorable to buying all categories of groceries online with even the frequency of “frozen foods” purchases coming in at over 35%.⁵ More than half of the Serious Eats and Simply Recipes audiences purchase everything from dairy to fruits & vegetables, canned goods, condiments, grains & pastas, baking items and spices online.⁶

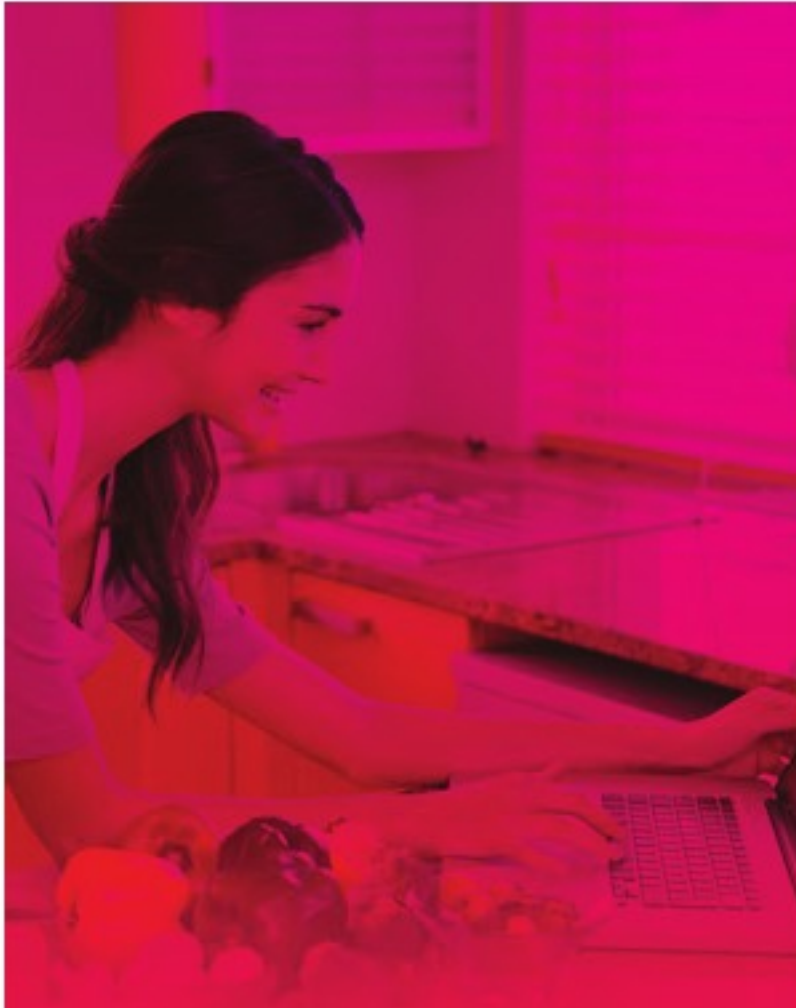


⁵ <https://www.onespace.com/blog/2018/08/online-grocery-food-shopping-statistics>

⁶ Hemispheres Grocery Shopping Research Report 2018



2019 INSIGHTS: Content Shoppability Driving Online Grocery



**EDITORIAL CONTENT
DRIVES LOYALTY AND
PURCHASE**

2019 PREDICTIONS

Online grocery transactions will skyrocket to comprise 10% of all U.S. grocery sales in the next 36 months as large grocery retailers upgrade shopping APIs, pickup and delivery platforms, and online product availability. In addition, technological advances in same-day delivery capabilities, seamless payment processing, and market basket efficiency will continue to drive adoption. In 2019, online grocery shopping will become mainstream across all demographic audiences as traditional grocers enhance e-commerce platforms to reach existing and new audiences.

Brands sold at grocery stores will need to rethink traditional marketing and product packaging to optimize for online shopping and delivery/pickup systems. Brands will also need to employ more direct-to-consumer marketing strategies to influence purchases. Packaging will evolve to be more efficient for pickup and delivery. Brand images representing products within search results will become the virtual "end-cap" for consumers. Recipe websites driving shopping list generation will inspire consumers to buy online rather than hop in the car and head to the store.

To successfully navigate this complex and competitive landscape, brands and grocery stores must look to the behavior of the millennial generation today to predict the behaviors of the greater population three years from now. What is required to achieve early online grocery adoption is different from what will be required to maximize enduring, mainstream success. In anticipation of an ever-evolving climate, Fexy has optimized the Relish platform to help brands achieve their goals in today's online grocery gold rush.

Fexy has conducted several proprietary internal research studies across online audiences to gain insights on consumer trends and behaviors. An abstract from the proprietary Hemispheres study is available.

If you are interested in receiving more information or a copy of the Hemispheres abstract, please contact your Fexy salesperson or email sales@fexy.com to learn more.